Swiss Life REF (LUX) Commercial Properties Switzerland, FCP-SIF

A Luxembourg Mutual Investment Fund
(*Fonds Commun de Placement*)

Registered pursuant to the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended or supplemented from time to time

Confidential Private Placement Memorandum

May 2020

IMPORTANT INFORMATION

Swiss Life REF (LUX) Commercial Properties Switzerland, FCP-SIF (the "**Fund**") is an evergreen unincorporated co-proprietorship of real estate investments organized in the form of a mutual fund (*fonds commun de placement*) governed by the laws of the Grand Duchy of Luxembourg. The Fund is subject to the Luxembourg law of February 13, 2007 relating to specialized investment funds, as amended or supplemented from time to time (the "**2007 Law**").

The Fund qualifies as an alternative investment fund within the meaning of the Directive 2011/61/UE on alternative investment fund managers (the "**AIFMD**") as implemented in Luxembourg by the law of 12 July 2013 on alternative investment fund managers (the "**2013 Law**").

The Fund is managed for the account and in the exclusive interest of its Unitholders by Swiss Life Asset Managers Luxembourg (the "**Management Company**"), also appointed as alternative investment fund manager (the **"AIFM"**). The Management Company is offering units (the "**Units**") on the basis of the information contained in this confidential private placement memorandum (the "**Placement Memorandum**") and in the documents referred to herein which are deemed to be an integral part of this Placement Memorandum.

No person is authorized to give any information or to make any representations concerning the Fund other than as contained in this Placement Memorandum and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Placement Memorandum shall be solely at the risk of the investor.

The Fund is established for an unlimited duration.

The distribution of this Placement Memorandum is not authorized unless it is accompanied by the most recent financial statements (if any) of the Fund. Such financial statements are deemed to be an integral part of this Placement Memorandum.

The Fund is to be structured as a stand-alone structure, reserved to institutional investors, professional investors and well-informed investors within the meaning of the 2007 Law.

Furthermore, in accordance with the management regulations of the Fund (the "**Management Regulations**"), the Management Company shall issue different classes of Units (individually a "**Class**" and collectively the "**Classes**"), subject to the terms and conditions set forth in this Placement Memorandum.

Terms not defined in this Placement Memorandum shall have the meaning set forth in the Management Regulations.

The Management Company has currently authorized the issuance of Units and as more fully described in this Placement Memorandum.

Units of the different Classes, if any, within the Fund may be issued at prices computed on the basis of the net asset value (the "**Net Asset Value**") per Unit, as defined in the Management Regulations and described in this Placement Memorandum.

The Management Company may, at any time, create additional Classes of Units whose features may differ from the existing Classes. Upon creation of new Classes, this Placement Memorandum will be updated or supplemented accordingly.

Distribution of this Placement Memorandum and the offering of the Units may be restricted in certain jurisdictions. This Placement Memorandum does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Placement Memorandum and of any person wishing to apply for Units to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.

The Management Regulations give powers to the board of directors of the Management Company (the "**Board of Directors**") to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the sole opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered. The Board of Directors may prohibit the acquisition by, the transfer to, or compulsorily redeem all Units held by any such persons.

The value of the Units may fall as well as rise and an investor may not get back the amount initially invested. Income from the Units will fluctuate in money terms and changes in rates of exchange will, among other things, cause the value of Units to go up or down. The levels and bases of, and relief from, taxation may change.

The Fund does not allow any practices associated to market timing (as defined in the CSSF Circular 04/146 dated 17 June 2004 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices, as amended from time to time, as an arbitrage method through which an investor systematically subscribes, redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the undertaking for collective investment). The Fund hereby expressly reserves its rights to reject orders for subscription, redemption or conversion of any person suspected by the Fund to employ such practices and may take, if needed, all the necessary measures in order to protect the Fund and the Investors against such practices.

The Management Company is responsible for the accuracy of the information contained in this Placement Memorandum as of the date hereof. Insofar as it is possible for the Management Company to have reasonable knowledge thereof, it hence certifies that the information contained in this Placement Memorandum has been correctly and accurately represented and that no information has been omitted, which, if it had been included, would have altered the content of this document.

The official language of the Placement Memorandum shall be English yet it may be translated into other languages. In the event of a discrepancy between the English version of the Placement Memorandum and the versions written in other languages, the English version shall prevail, except in the event (and under this circumstance alone) that the law of a jurisdiction

where the Units of the Fund are placed rules otherwise. Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions, investment requirements or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding or disposal of the Units. All disputes in relation to the Fund, the Board of Directors, their respective managers or officers and the Unitholders are subject to Luxembourg law and the jurisdiction of the Courts of Luxembourg, Grand Duchy of Luxembourg.

All references in this Placement Memorandum to Euro or EUR are to the legal currency respectively of the Grand Duchy of Luxembourg and to the legal currency of the countries participating in the Economic and Monetary Union. All references in this Placement Memorandum to Swiss Francs or CHF are to the legal currency of Switzerland.

The Fund has obtained the authorization of the Luxembourg Supervisory Commission of the Financial Sector (the "**CSSF**"). This authorization should in no way be interpreted as approval by the CSSF of either the content of this Placement Memorandum or the features of the Units or of the quality of the investments held by the Fund. Any statement to the contrary is unauthorised and unlawful.

PRIIPS

The Shares are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation"**) for offering or selling the Shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Assets or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

1. Representative

The representative in Switzerland is Swiss Life Asset Management Ltd, General Guisan-Quai 40, 8002 Zurich. (the "**Representative**")

2. Paying agent

The paying agent in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich.

3. Place where the relevant documents may be obtained

The Placement Memorandum and the Management Regulations as well as the annual report may be obtained free of charge from the Representative.

4. Payment of retrocessions and rebates

The Fund and its agents may pay retrocessions as remuneration for distribution activity in respect of Units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Setting up processes for subscribing, holding and safe custody of the Units;
- Keeping a supply of marketing and legal documents, and issuing the said;

- Forwarding or providing access to legally required publications and other publications;
- Performing due diligence delegated by the Fund in areas such as money laundering, ascertaining client needs and distribution restrictions;
- Mandating an authorized auditor to check compliance with certain duties of the Distributor, in particular with the relevant guidelines issued by the Swiss Funds & Asset Management Association SFAMA;
- Operating and maintaining an electronic distribution and/or information platform for third-party providers;
- Clarifying and answering specific questions from Investors pertaining to the investment product or the Fund
- Drawing up Fund research material;
- Central relationship management;
- Subscribing Units as a "nominee" for several clients as mandated by the Fund;
- Training client advisors in collective investment schemes;
- Mandating and monitoring additional distributors.

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 must ensure transparent disclosure and inform Investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

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

In the case of distribution activity in or from Switzerland, the Fund and its agents may, upon request, pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Fund and therefore do not represent an additional charge on the Fund assets;
- they are granted on the basis of objective criteria; and
- all Investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Fund are as follows:

- the volume subscribed by the Investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the Initiator;
- the amount of the fees generated by the Investor;
- the investment behaviour shown by the Investor (e.g. expected investment period); and
- the Investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the Investor, the Fund must disclose the amounts of such rebates free of charge.

5. Place of performance and jurisdiction

In respect of the Units distributed in and from Switzerland, the place of performance is at the registered office of the Representative.

MANAGEMENT AND ADMINISTRATION

Management Company / Alternative Investment Fund Manager
Swiss Life Asset Managers Luxembourg
4a, rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Management Company / Alternative Investment Fund Manager
Chairperson
Dagmar Maroni

Members
Per Erikson
Uwe Druckenmüller
Robin van Berkel
Thomas Nummer

Senior Management of the Management Company / Alternative Investment Fund Manager

Uwe Druckenmüller – CEO, Internal Audit & Tax
Thomas Albert - Independent Valuation
Franziska Feitzinger – Portfolio Management
Jasmin Heitz – Administration & Accounting
Giedre Plentaite – Legal & Marketing
Tilo Reichert – Risk Management & Compliance

Depositary
Société Générale Luxembourg
11, avenue Émile Reuter
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Administration Agent
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Grand Duchy of Luxembourg

Registrar and Transfer Agent
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Swiss Life Asset Management Ltd
General-Guisan-Quai 40
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Definitions

The following definitions shall apply throughout this Placement Memorandum unless the context otherwise requires:

"2007 Law"	The Luxembourg law dated 13 February 2007 relating to specialised investment funds, as amended or supplemented from time to time.
"2010 Law"	The Luxembourg law dated 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.
"2013 Law"	The Luxembourg law dated 12 July 2013 relating to alternative investment fund managers, as amended or supplemented from time to time.
"Administration Agent"	Société Générale Luxembourg, or such other replacement administration agent appointed by the Management Company from time to time.
"AIF"	An alternative investment fund within the meaning of the 2013 Law.
"AIFM"	An alternative investment fund manager within the meaning of the 2013 Law.
"AIFMD"	The Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) N° 1060/2009 and (EU) N° 1095/2010.
"AML Law"	The Luxembourg law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended.
"Asset Manager"	Swiss Life Asset Management AG, or such other replacement asset manager appointed by the Management Company to provide asset management services for the benefit of the Fund.
"Board of Directors"	The board of directors of the Management Company/ AIFM.
"Business Day"	A bank business day in Luxembourg, unless otherwise stated.

"CHF" or "Swiss Francs"	The legal currency in Switzerland.
"Class(es)"	Any class(es) of Units issued by the Fund.
"CRS"	The Common Reporting Standard for Automatic Exchange of financial account information in tax matters as set out in the CRS Law.
"CRS Law"	The amended Luxembourg Law dated 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.
"CSSF"	The Luxembourg Supervisory Commission of the Financial Market - *Commission de Surveillance du Secteur Financier*.
"Data Protection"	Has the meaning as set out under section XX.
"Dealing Day"	Any day on which (i) the Net Asset Value per Unit of each Class is finalised with reference to a specific Valuation Day and (ii) on or about which Units may be issued, redeemed or converted.
"Depositary"	Société Générale Luxembourg, or such other replacement depositary appointed from time to time by the Management Company.
"Depositary and Paying Agent Agreement"	Has the meaning set out under section V "Depositary".
"Distributors"	Has the meaning set out under sub-section 5 "Distributions" of section IV "Management, Governance and Administration".
"EEA"	Means the European Economic Area.
"Eligible Investor"	Any investor (i) situated in the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law and also as Professional Investor or (ii) situated outside the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law.
"Euro" or "EUR" or "€"	The legal currency of the participating member states of the EU to the monetary union.

"FATCA"	The Foreign Account Tax Compliance provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act on 18 March 2010, set out in sections 1471 to 1474 of the Code, and any U.S. Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto.
"FATCA Law"	Means the amended Luxembourg law dated 24 July 2015 implementing the Model I Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (FATCA).
"FCP"	*Fonds commun de placement,* a Luxembourg unit fund.
"Financial Year"	A financial period of the Fund, commencing on 1 October and ending on 30 September of the next year.
"First Closing"	Last Business Day of the Initial Offering Period.
"First Valuation Day"	Has the meaning set out under section XII "Temporary Suspension of Net Asset Value Calculation".
"Fund"	Swiss Life REF (LUX) Commercial Properties Switzerland, FCP - SIF, a *fonds commun de placement*, authorized as a specialised investment fund under the 2007 Law.
"IGA"	The Model I Intergovernmental Agreement.
"Indemnified Persons"	Has the meaning set out under section XXI "Exculpation and Indemnification".
"Independent Appraiser"	Has the meaning set out under sub-section 4 "The Independent Appraiser" of section IV "Management, Governance and Administration".
"Initiator"	The Management Company.
"Initial Offering Period"	First period during which investors will be offered to subscribe for the relevant Class of Units of the Fund.
"Initial Subscription Price"	Subscription price of the first Units issued in a given Class.
"Investors"	Eligible Investors, which have subscribed or committed to subscribe for Units of the Fund.

"Investors Units"	Units issued by the Fund to Investors which may be of different Classes and entitled to specific distribution or liquidity rights.
"Leverage"	Has the meaning set out under sub-section 3 "Exposure / Leverage" of section II "Investment Objectives, Strategy and Restrictions".
"LTA"	The Luxembourg tax authorities.
"Lux GAAP"	The Luxembourg generally accepted accounting principles.
"Management Company"	Swiss Life Asset Managers Luxembourg, a public limited company (*société anonyme*) incorporated under the laws of Luxembourg and authorised and regulated by the CSSF.
"Management Fee"	The service fee paid out of the assets of the Fund to the Management Company, the Asset Manager, the Distributors, the Depositary and the Administration Agent in consideration for the services performed for the benefit of the Fund.
"Management Regulations"	The management regulations of the Fund, as amended from time to time.
"Mémorial"	The *Mémorial C, Recueil des Sociétés et Associations*, the official journal of Luxembourg.
"Net Asset Value" or "NAV"	The net asset value per Unit of each Class as determined as pursuant to section in section XI "Determination of the Net Asset Value".
"NFFE"	A non-Financial Foreign Entity.
"Parties"	Has the meaning set out under sub-section 1 "Conflicts of Interests" of section XIX "Conflicts of Interest and Fair Treatment of Investors".
"Personal data	Has the meaning set out under section XX "Data Protection".
"Placement Memorandum"	This confidential private placement memorandum, as amended from time to time.
"Portfolio Investment"	Any asset in which the Fund has made an investment, directly or indirectly via one or several Subsidiaries.

"Professional Investor"	Shall mean an investor which qualifies as a professional within the meaning of Annex II to Directive 2014/65/EU (so called MiFID II) or may, on request, be treated as such.
"Property Manager(s)"	The local property manager(s) appointed from time to time by the Asset Manager with the acknowledgement and approval of the Management Company, as described under section IV "Management, Governance and Administration".
"Redemption Price"	Has the meaning set out under section IX "Restriction on the Ownership of Units".
"Redemption Notice"	Has the meaning set out under section IX "Restriction on the Ownership of Units".
"Reference Currency"	Swiss Franc (CHF) for the Fund and each Class.
"Registrar and Transfer Agent"	Société Générale Luxembourg or any other replacement agent selected from time to time by the Management Company to perform the relevant registrar and transfer agency functions for the benefit of the Fund.
"Regulated Market"	A market functioning regularly, which is regulated, recognised and open to the public, as defined in Directive 2004/39/EC on markets in financial instruments as amended or supplemented from time to time.
"Regulation 2015/2365"	Has the meaning set out under sub-section 5 "SFTR Provision" of section II "Investment Objectives, Strategy and Restrictions".
"Representative"	Has the meaning set out under Schedule 1 "Additional Information for Investors in Switzerland".
"RESA"	Means *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg.
"SLIM"	Swiss Life Investment Management Holding AG.
"Subsidiary(ies)"	Any Luxembourg or foreign entity(ies)/company(ies) wholly owned or controlled by the Management Company acting on behalf of the Fund, through which the Fund may make or hold investments.
"Unit(s)"	Co-ownership participation(s) in the Fund which may be issued in different Classes by the Management Company pursuant to the Management Regulations.

“Unitholders”	Holders of Units of the Fund.
“Valuation Day”	Any business day in Luxembourg, which is designated by the Management Company as being a day by reference to which the assets of the Fund shall be valued in accordance with the Management Regulations.

I. STRUCTURE OF THE FUND

1. General Information

The Fund is a *fonds commun de placement* ("**FCP**") managed by the Management Company, established under the 2007 Law and governed by the Management Regulations which determine the contractual relationship both among the Unitholders and between the Unitholders, the Management Company and the Depositary.

The Fund qualifies as an alternative investment fund ("**AIF**") within the meaning of the Directive 2011/61/UE on alternative investment fund managers (the "**AIFMD**") as implemented in Luxembourg by the law of 12 July 2013 on alternative investment fund managers, as amended or supplemented from time to time (the "**2013 Law**").

The Management Regulations were effective as of 22 August 2012 and were deposited and registered with the *Registre de Commerce et des Sociétés*, Luxembourg. A notice regarding such deposit was published in the *Mémorial C, Recueil des Sociétés et Associations* (the "***Mémorial***"), on 10 September 2012. The Management Regulations have been further amended by an amendment agreement effective as of 14 November 2014, by an amendment agreement effective as of 1 October 2015 and by an amendment agreement effective as of 25 May 2020, which has been deposited with the *Registre de Commerce et des Sociétés*, Luxembourg.

The Fund is not a corporate entity and does not have a legal personality of its own. It is a Luxembourg unit fund, *i.e.* a joint ownership of investments with limited liability that exists through and represented by the Management Company.

The Fund is an evergreen real estate / property fund with unlimited duration, organised as a stand-alone structure, investing in real estate assets and/or property development projects located in Switzerland.

The Fund is an open-ended collective investment scheme (*i.e.*, Units may be redeemed at the request of a Unitholders) with variable capital. Unitholders should however check any limitations or restrictions that may apply to their right to redeem their Units.

The Fund is managed by the Management Company, in accordance with the Management Regulations, and as further disclosed in this Placement Memorandum.

The capital of the Fund is variable and shall consequently, and at all times, be equal to the total Net Asset Value of the Fund. The capital of the Fund is represented by Units.

The net assets of the Fund, as prescribed by law, may not be less than the equivalent in Swiss Francs (CHF) of one million two hundred fifty thousand Euros (EUR 1,250,000.-). This minimum must be reached within a period of twelve (12) months following the authorisation of the Fund as an FCP under the 2007 Law.

2. Investment Choice

For the time being, the Fund offers the Classes of Investors Units as further described under section VIII “Description of the Units of the Fund” of this Placement Memorandum.

3. Minimum Investment and Holding Requirement

Units will only be offered to Eligible Investors, being mostly institutional investors, large corporations and high net worth individuals, committing to subscribe or subscribing for at least two hundred and fifty thousand Swiss Francs (CHF 250,000.-), although individual commitments for lesser amounts may be accepted at the sole discretion of the Management Company. Subscriptions shall be made in cash or by way of contributions in kind.

The Management Regulations give powers to the Management Company to impose such restrictions as necessary to ensure that no Units in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority.

4. Units Classes

The Fund may offer more than one Class of Investors Units. Each Class of Investors Units may have different features or rights or may be offered to different types of Eligible Investors to comply with various country legislations or to allocate distributions in the most efficient manner based on their respective tax residence.

Details in relation to the different Classes of Units as well as the rights in relation thereto and issue conditions are set out in section VIII “Description of the Units of the Fund” below.

5. Size of the Fund

There is no defined targeted or limited size for the Fund. After the First Closing, the Fund had subscriptions from Investors of more than six hundred million Swiss Francs (CHF 600,000,000.-), which were used to acquire a real estate portfolio of twenty seven (27) buildings. Depending on the market situation and its investment strategy the Fund will perceive buying and selling opportunities in the future.

II. INVESTMENT OBJECTIVES, STRATEGY AND RESTRICTIONS

1. Investment Objective and Strategy

1.1. Investment background

The Swiss real estate market has been very stable in recent years. The stability was based on factors such as a high demand in properties due to a positive immigration into Switzerland, a stable Swiss economy, and a very attractive yield spread.

Moreover, real estate prices are not driven by short-term investors due to the comparably high tax burden associated with changes in ownership.

Commercial properties offer long-term, risk-appropriate returns. Commercial properties in good locations tend to offer high earnings security. These properties produce steady yields and are popular investments.

Rental contracts for service space are generally concluded for five (5) or ten (10) years. In addition, they are partly or fully indexed, leading to partial or full inflation protection. Furthermore, commercial properties have lower service and maintenance costs due to their design and slower tenant turnover. Fluctuations in the economy can impact on the income and value of commercial real estate, so that above-average locations and property quality are very important.

1.2. Investment Objectives

The objective of the Fund is to maintain a long-term value and to make appropriate income distributions through the acquisition, development and operation of a real estate portfolio situated in Switzerland.

In particular, the Fund will focus to invest in the following types of properties:

- commercial properties,
- mixed used properties
- common hold,
- co-ownership,
- leasehold,
- building areas (including buildings for demolition) and buildings under construction.

1.3. Investment Strategy

The investment strategy shall focus on:

- investments made in directly held properties in Switzerland with a commercial use,
- properties with stable earnings and stable value development that are located in major Swiss cities and their agglomerations,
- diversification in terms of major economic areas in Switzerland, by size, age and structure of the tenants.

1.4. Investment / Divestment Process

The investment process is fully carried out in accordance with the internal investment process of the Management Company and with the support of the Asset Manager, from the sourcing until final validation at the level of the Management Company.

For the purpose of optimizing its portfolio management functions, the Management Company has appointed the Asset Manager to provide all types of property management and related advisory services to the Management Company in relation to Portfolio Investments. The

Management Company shall analyse and review in details all proposed investments/divestments and, as sourced, analysed and suggested by the Asset Manager. The Management Company shall decide upon proposed transactions and approve them, if deemed appropriate and viewed positive by the delegate in charge of approving investment/divestment decisions at the level of the Management Company.

The Management Company shall rely upon written policies and procedures on due diligence made by asset manager (if any), specialized local property managers and/or any other third party service provider and implement effective arrangements for ensuring that investment decisions on behalf of the funds are carried out in compliance with the objectives, investment strategy and, where applicable, risk limits of the funds. The due diligence processes and procedures are regularly reviewed and updated, and will in no event be reviewed less than once a year.

1.4.1. Transaction sourcing and initial screening

Transactions will be sourced by the Asset Manager or any other service provider, leveraging on a wide range of relationships developed in the specific market (*e.g.* real estate) including other investors in that specific market, investment and commercial banks, lawyers, consultants, accountants, developers and construction companies.

Transaction parameters will be reviewed and discussed within the Asset Manager to validate the fit with the investment strategy of the Fund.

1.4.2. Preliminary analysis

The Asset Manager will analyse the first transaction documents available, will carry out an initial due diligence and write a preliminary investment memorandum focusing on the main characteristics of the asset and the prospective investment and highlighting the key issues to be further analysed in the next phases that will be sent to the Management Company, for review. If the Management Company considers that the asset represents an interest for the Fund, a due diligence budget for the prospective investment will be defined and approved by the Management Company.

A non-binding offer or confirmation of interest for the asset will often be prepared and sent at this stage by or in the name of the Management Company.

1.4.3. Full analysis / structuring

All the asset and transaction parameters will be reviewed in detail including the legal and tax issues. The Management Company, with the support of the Asset Manager, will carry out an in-depth due diligence and write a comprehensive investment memorandum which will cover: the transaction (structure, price and key terms), the asset (market, regulation), the financial analysis, the key risks and the investment recommendation. The Asset Manager supports the Management Company with respect to the deal structuring and negotiation phase of the transaction. Further, the Asset Manager has been appointed to provide all types of property management and related advisory services to the Management Company in relation to Portfolio Investments. The details of such services are outlined in section IV. Subsection 3.

In some cases, the Asset Manager will be involved in the negotiation and structuring of the transaction.

1.5. Types of Investments

The Fund may directly hold real estate assets or directly own property rights, as well as through Subsidiaries.

When investing through Subsidiaries, the Fund may make equity and equity-related investments (such as ordinary and preference share capital, convertible debt, equity warrants or other equity related interests), and finance such Subsidiaries through debt and/or hybrid instruments. As a result, when the Fund has invested or is investing in equity or equity-related interests, it may extend loans to the relevant Subsidiary and/or grant a security on its investment in such Subsidiary in order to secure loan facilities extended to that Subsidiary.

Finally, the Fund may also invest on an ancillary basis in real estate / property funds, as well as in real estate investment companies, that have investment strategies consistent with that of the Fund, as described above. The Fund will not invest in partnerships or other entities that would result in the Fund having an unlimited liability in respect of such investments unless the Fund can structure such indirect investments so that its liability will in fact be limited.

The Fund may also co-invest with other professional investors.

2. Borrowing Policy

The Fund may incur indebtedness whether secured or unsecured with a targeted aggregated leverage ratio of up to fifty percent (50%) of the market value of the real estate assets of the Fund.

As a result, the Fund and its subsidiaries may as a rule not incur indebtedness (whether secured or unsecured) which would cause the value of total indebtedness of the Fund and its controlled subsidiaries to exceed fifty percent (50%) of the aggregate value of Portfolio Investments (covering land, construction works already finished as well as tranches under development and to be developed) on or about the incurrence of such indebtedness.

Borrowings may be utilised for investment purpose as well as to bridge financing and expense disbursements when liquid funds are not readily available.

3. Exposure / Leverage

Within the meaning of the 2013 Law, leverage is any method by which the Management Company increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

The Leverage is controlled on a frequent basis and shall not exceed one hundred and sixty percent (160%) when using the gross method and one hundred and sixty percent (160%) when using the commitment method.

The Fund's exposure is calculated by the Management Company in accordance with two (2) cumulative methods: the "gross method" and the "commitment method". The gross method

gives the overall exposure of the Fund whereas the commitment method gives insight in the hedging and netting techniques used by the Management Company.

4. Investment Limits and Restrictions

The assets of the Fund shall be invested in accordance with the following investment limits and restrictions.

1. Investments are allocated by property type, type of use, age, building structure and location.

2. The investments must be spread across at least ten (10) properties. Developments that have been built according to the same construction standards and neighbouring lots are both considered to be single properties.

3. The market value of a property may not exceed fifteen percent (15%) of the Fund's assets.

4. When pursuing the investment policy as specified, the Management Company shall also observe the limits in terms of the Fund's assets as set out below:

    a) Building land, including demolition projects and buildings under construction, up to thirty percent (30%).
    b) Properties with building rights, up to twenty percent (20%).
    c) Mortgage certificates and other contractual mortgage liens, up to ten percent (10%).
    d) Units in other real estate funds and real estate investment companies, up to twenty five percent (25%).
    e) Total investments under a) and b) above, up to thirty percent (30%).

5. SFTR Provision

The Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**Regulation 2015/2365**"). However, should the Fund do so, the information set out in section B of the Annex to Regulation 2015/2365 will be disclosed to Investors.

III. RISK FACTORS

A. General Risks Considerations

An investment in the Fund involves certain risks relating to the particular Fund's structure and investment objectives, which investors should evaluate before making a decision to invest in the Fund.

The investments in the Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objectives of the Fund will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in the Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in the Fund, careful consideration should be given to all of the risks attached to investing in the Fund.

The following is a brief description of certain factors, which should be considered along with other matters discussed elsewhere in this Placement Memorandum. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in the Fund.

An investment in Units carries substantial risk and is suitable only for Investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the Fund.

B. Specific Risk Considerations

General real estate risks

Real estate funds, such as the Fund, are subject to risks particular to real estate investments. Real estate values are affected by a number of factors, including: changes in the general economic climate; local conditions such as an oversupply of space or a reduction in demand for real estate in a particular area; the quality and philosophy of management; competition, vacancy of space; the ability of the owner to provide maintenance and to control costs; government regulations; interest rate levels; relevant exchange rates; the availability of financing; risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses and other factors which are beyond the control of the managing body of the funds and/or the property developer; and potential liability under, and changes in, environmental, zoning, tax law and practice and other laws and government regulations. Valuation of real estate generally will be a matter of an independent appraiser opinion, and may fluctuate up or down. There are risks that occupants may be unable to meet their obligations or that the real estate funds may not be able to lease space on economically favourable terms.

Increased regulatory scrutiny

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase the Fund's, the Management Company's and the Asset Manager's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on the Fund and the Management Company, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Management Company's and the Asset Manager's time, attention and resources from portfolio/asset management activities. It is anticipated that, in the normal course of business, the Management Company's and the Asset Manager's officers will have contact with governmental authorities and/or be subjected to responding to questionnaires or examinations. The Fund may also be subject to regulatory inquiries concerning its positions and investment activities.

Operational Risk

The Fund's operational risks include direct or indirect economic loss, which is caused by inadequate or failed internal processes, systems, personnel or external factors. This includes legal, money laundering, risks of financing terrorism and IT security risks.

Pricing and Valuation Risk

Investors should acknowledge that the portfolio of the Fund will be composed of assets with a market liquidity that could be materially affected within short period of time by different economic factors, such as the change in interests rates and credit availability, that could in turn affect the value and liquidity of Portfolio Investments. The valuation of the Portfolio Investments and the production of the Net Asset Value calculation will be a complex process, which might in certain circumstances require the Management Company to make certain assumptions in order to enable the finalisation of the necessary calculations. The lack of an active public market for the Portfolio Investments will make it more difficult and subjective to value investments for the purposes of determining the Net Asset Value.

Lack of diversity

The Fund is not subject to specific legal or regulatory risk diversification requirements, other than those specified herein. Therefore, the Fund is in principle authorised to make a limited number of investments and, as a consequence, the aggregate returns realised by the Investors may be substantially adversely affected by the unfavourable performance of even one investment. In addition, the Fund's assets may be concentrated in certain geographical areas, industries and segments of activity. A lack of diversification in the Fund's portfolio may result in the Fund's performance being vulnerable to business or economic conditions and other factors affecting particular companies or particular industries, which may adversely affect the return to Shareholders.

Lack of liquidity of underlying investments

The Portfolio Investments may become highly illiquid in the event of a drastic change of the Swiss real estate market, interest rates and credit availability. There is a risk that the Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices or at the appropriate times or in response to changing market conditions. Losses may be realised

before gains on dispositions. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposition of Portfolio Investments. In case of restricted liquidity of the Fund, prospective investors should therefore be aware that they may be required to bear the financial risk of their investment for an undetermined period of time.

Indebtedness

Real estate funds, such as the Fund, are subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments and the risk that existing indebtedness will not be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, as well as any "balloon" payments due upon maturity of indebtedness. More generally, the debt of real estate funds is likely to be cross-secured by real estate owned by the structure as a whole. As is the case in secured debt financings, to the extent some subsidiaries of such real estate funds would be unable to meet required payments, pledged assets (which may be the funds' assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability) could be transferred to the lender with a consequent loss of such assets.

Distributions

Real estate funds depend on receipts from the real estate assets in order to make distributions to investors. If there are insufficient funds from the real estate assets, distributions may not be available for an extended period. The Management Company may also retain funds in reserves that otherwise may have been available for distribution. The timing of and the ability of the real estate assets and/or the local entities holding such real estate assets to make payments may be limited by applicable law and regulations.

Risks associated with the investment in underlying funds

As the Fund may invest in underlying funds domiciled in jurisdictions where these vehicles are not subject to a recognized supervisory authority providing investors with equivalent protection to that available in Luxembourg, investments in any of such underlying funds are subject to a corresponding risk. Although the risks inherent to investments in underlying funds (whether regulated or unregulated) should as a rule be limited to the loss of the initial investment contributed, investors must nevertheless be aware that investments in unregulated underlying funds are more risky than investments in regulated underlying funds. This may be due to fact that such unregulated underlying funds may not be subject to regulatory and leverage/borrowing restrictions and/or to the absence of accounting standards or to the absence of a supervisory authority imposing rules and regulations to the entity exercising the depositary and/or central administration functions. In particular, the consequence of the leverage effect is that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the fund's assets. In extreme cases, the use of derivative instruments and short sales by underlying unregulated funds may result in them becoming worthless. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain jurisdictions where these unregulated underlying funds are set up may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As a consequence of the foregoing, unregulated funds are generally considered to be a higher risk investment.

Tax considerations

Tax charges and withholding taxes in the areas of Switzerland in which the Fund invests will affect the level of distributions made to it and accordingly to Investors. No assurance can be given as to the level of taxation suffered by the Fund or its investments. Furthermore, the Net Asset Value and subscription prices of the Units, as well as units or shares of underlying real estate funds may not take into account liabilities for deferred tax which may crystallize on any disposal of assets as a result of the tax basis of these assets being less than their value.

Uninsured losses

The Management Company and the Asset Manager will attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods, environmental contamination or terrorism, may be unavailable, available in amounts that are less than the full market value or replacement cost of Portfolio Investments or subject to a large deductible.

Environmental liability

The Fund and/or the Subsidiary(ies) may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in a real estate investment held by the Fund and/or Subsidiary(ies). The costs of any required remediation or removal of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the owner's ability to sell or lease the real estate or to borrow using the real estate as collateral. Laws and regulations may also impose liability for the release of certain materials into the air or water from a real estate investment, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations can limit the development of and impose liability for the disturbance of wetlands or the habitats of threatened or endangered species.

Counterparty risk

Counterparty risk is the risk of failure to perform by a market counterparty (for financial assets) or by tenants (for real estate assets), resulting in default on payment. Default of payment by counterparty may lower the Net Asset Value.

Depositary risk

Where securities are held with a correspondent/sub-custodian of the Depositary or by a securities system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Fund may have to share that shortfall on a pro-rata basis. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has discharged its responsibility in compliance with articles 19(13) and 19(14) of the 2013 Law.

Where laws of a third country require that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirements under the

2013 Law, the Depositary can discharge itself of liability in certain circumstances under certain conditions.

In the event that the Fund invests in assets through financial and, as the case may be, or legal structures which it/the Management Company does not directly or indirectly control or where the Fund invests in fund of funds structures or master-feeder structures where the underlying funds have a depositary which keeps in custody the assets of these funds, the Depositary is under no obligation to carry out its duties on a look through basis down to the underlying assets and will not do so.

Foreign Account Tax Compliance Act (FATCA)
Capitalized terms used in this section should have the meaning as set forth in the IGA (as defined below), unless provided otherwise herein.

As part of the process of implementing FATCA, Luxembourg has entered into a Model I Intergovernmental Agreement ("**IGA**"), implemented by the Luxembourg law dated 24 July 2015 which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by U.S. Specified Persons and non-U.S. financial institutions that do not comply with FATCA and, if any, to the competent authorities.

Being established in Luxembourg, the Fund is likely to be treated as a Foreign Financial Institution.

This status includes the obligation for the Fund to regularly obtain and verify information on all of its Unitholders. Upon request of the Fund, each Unitholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity ("**NFFE**"), the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each Unitholder shall agree to actively provide to the Fund within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

FATCA and the IGA may result in the obligation for the Fund to disclose the name, address and taxpayer identification number (if available) of the Unitholder as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities under the terms of the IGA. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Additionally, the Fund is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as result of the FATCA regime, the value of the Units held by the Unitholder may suffer material losses. A failure for the Fund to obtain such information from each Unitholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

Any Unitholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund attributable to such Unitholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Unitholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

Common Reporting Standard (CRS)

Capitalised terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"). The adoption of the aforementioned directive implements the OECD's Common Reporting Standard ("**CRS**") and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law dated 18 December 2015 (the "**CRS Law**") implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Fund may be required to annually report to the Luxembourg tax authorities the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder, ii) and, in the case of a Passive Non-Financial Entity ("**NFE**"), of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authorities to foreign tax authorities.

Additionally, the Fund is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Unitholder providing the Fund with the information, including information regarding direct or indirect owners of each Unitholder, along with the required supporting documentary evidence. Upon request of the Fund, each Unitholder shall agree to provide the Fund such information.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to

satisfy these obligations. If the Fund becomes subject to a fine or penalty as result of the CRS Law, the value of the Units held by the Unitholders may suffer material losses.

Any Unitholder that fails to comply with the Fund's documentation requests may be charged with any fines and penalties imposed on the Fund and attributable to such Unitholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

Attention should be drawn to the fact that the Net Asset Value per Unit can go down as well as up. An Investor may not get back the amount he has invested. Changes in foreign exchange rates may also cause the Net Asset Value per Unit in the investor's base currency to go up or down. No guarantee as to future performance or future return from the Fund can be given.

C. The Risk Profile of the Fund

The risk profile of the Fund has been defined during the initial fund set-up and is periodically reviewed. It reflects market risks, credit and counterparty risks, liquidity risks, operational risks and special risks inherent to the Fund, which are identified after an analysis of the aforementioned structure, strategies and investment objective of the Fund.

IV. MANAGEMENT, GOVERNANCE AND ADMINISTRATION

1. The Management Regulations

The rights and obligations of the Unitholders of each Class, the Management Company and the Depositary are determined by the Management Regulations, which are governed by the laws of Luxembourg.

The text of the Management Regulations is available for inspection at the offices of the Management Company in Luxembourg. A summary of certain rights of the Unitholders is contained in this Placement Memorandum in section VIII "Description of the Units of the Fund".

2. The Management Company/ AIFM

The Management Company is a company incorporated on 22 August 2012 as a public limited company (*société anonyme*) under the laws of Luxembourg and its duration is at present unlimited, holding a dual license as a Chapter 15 management company in accordance with the Law of 2010 and as an alternative investment fund manager in accordance with article 5 of the Law of 2013 and having its registered office at 4a, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Management Company is registered with the Luxembourg Register of Trade and Companies under number B 171.124.

The Management Company is wholly owned by Swiss Life Investment Management Holding AG ("**SLIM**").

Pursuant to its articles of incorporation, the purpose of the Management Company is, amongst others, the administration and management of alternative investment funds ("**AIFs**"), in particular of several Luxembourg specialised investment funds subject to the 2007 Law, and/or analogous foreign structures in accordance with the provisions of chapter 15 of the 2010 Law and the 2013 Law, as well as the investment management, marketing and administration services in accordance with article 101 (2) and Annex II of the Luxembourg law dated 17 December 2010 relating to undertakings for collective investments. The Management Company shall carry out any activities connected with the management, administration and marketing of the AIFs.

With respect to the Fund, the Management Company shall carry out any activities connected with the portfolio management, risk management, administration, valuation, marketing and other asset related services of the AIFs.

Pursuant to the Management Regulations, the Management Company or its designees have the exclusive right to manage the Fund and is vested with powers to administer and manage the Fund in its own name but for the account and in the exclusive interest of the Unitholders including, but not limited to, the purchase, sale, and receipt of real estate investments and the exercise of all the rights attaching directly or indirectly to the assets of the Fund.

The Management Company has responsibility for managing the Fund in accordance with this Placement Memorandum and the Management Regulations, Luxembourg law and other relevant legal requirements.

The Management Company is responsible for implementing the Investment Objectives and Strategy of the Fund, always subject to the risk diversification rules and investment restrictions set out in this Placement Memorandum, the Management Regulations, Luxembourg law and other relevant legal requirements.

The Management Company is also responsible for selecting the Asset Manager, the Depositary, the Administration Agent, the Registrar and Transfer Agent and other such agents as are appropriate, which shall perform their respective functions under the responsibility and supervision of the Management Company.

The removal of the Management Company may only take place subject to the terms of the Management Regulations. Any successor Management Company has to be approved by the CSSF prior to its appointment.

In circumstances where no successor management company can be found within two (2) months of such termination, in accordance with Luxembourg law, the Fund will be wound up in accordance with the winding-up provisions in the Management Regulations.

Board of Directors of the Management Company/ AIFM

The Management Company is managed by the Board of Directors. All members of the Board of Directors will have extensive experience in investment management matters or in real estate investments. All members of the Board of Directors are to be first approved by the CSSF before being appointed to the Board of Directors.

At the date of this Placement Memorandum the Board of Directors is composed of the following persons:

Chairman

Dagmar Maroni
Head Business & Product Management, Swiss Life Asset Management Ltd

Other members of the Board of Directors of the Management Company/ AIFM at the date of this Placement Memorandum

Per Erikson
CEO, Swiss Life Asset Management, Germany

Uwe Druckenmüller
CEO of the Management Company

Robin van Berkel
COO Swiss Life Asset Managers and CEO Swiss Life Asset Management AG

Thomas Nummer
Partner, Trinova Group

Senior Management of the Management Company/ Alternative Investment Fund Manager

Uwe Druckenmüller – CEO, Internal Audit & Tax
Thomas Albert - Independent Valuation
Franziska Feitzinger – Portfolio Management
Jasmin Heitz – Accounting & Administration
Giedre Plentaite – Legal & Marketing
Tilo Reichert – Risk Management & Compliance

Any amendments will be published in the annual report.

Rules of conduct

As per the provisions of the 2013 Law, the Management Company must at all times:

- act honestly, with due skill, care and diligence and fairly in conducting its activities;

- act in the best interest of the or the Investors in the Fund and the integrity of the market;

- have and employ effectively the resources and procedures that are necessary for the proper performance of its business activities;

- take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Investors and to ensure that the AIFs it manages are fairly treated;

- comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of the Fund or the Investors in the Fund and the integrity of the market;

- treat all Investors fairly.

The Management Company shall ensure that its decision-making procedures and its organisational structure ensure fair treatment of Investors in the Fund. The Management Company does not intend to apply preferential treatment to any Investor of the Fund.

Risk Management and Liquidity Management

The Management Company is implementing a risk management process in order to detect, measure, manage and follow the risks related to investments of the Fund and their effect on the risk profile of the Fund. As such, the Management Company shall ensure that the risk profile of the Fund is relevant in light of the size, portfolio's structure, strategies and investment objective of the Fund.

In accordance with the 2013 Law, the Management Company has adopted appropriate liquidity management tools and procedures allowing to measure the liquidity risk of the Fund, so as to ensure that the liquidity profile of the Fund's investments is in line with its obligations and notably that the Fund will be in position to satisfy Investors' redemption request in accordance with the provision of this Placement Memorandum.

The Management Company proceeds, on a regular basis, with special tests, simulating normal and exceptional circumstances in order to evaluate and measure the liquidity risk of the Fund.

As such, the Management Company ensures the coherence of the investment strategy, the liquidity profile and the redemption policy of the Fund.

The Management Company has the power to delegate all or any of the rights, privileges, powers, duties, trusts and discretions vested in it to any person, institution, firm or body corporate, provided that in case of delegation of portfolio management or risk management, no delegation is possible to any entity whose interests may conflict with those of the Management Company or the Investors, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Investors. The Management Company is bound, among other things to (a) be able to justify its entire delegation structure on objective reasons, (b) ensure that the delegate disposes of sufficient resources and that the persons who effectively conduct the business of the delegate are of sufficiently good repute and sufficiently experienced, (c) monitor effectively and review at any time the conduct of any delegate or sub-delegate. The delegation must not prevent the effectiveness of supervision of the Management Company and, in particular, must not prevent the Management Company from acting in the best interest of the Investors.

Pursuant to the 2013 Law the Management Company's liability towards the Fund and its Investors shall not be affected by the fact that the Management Company has delegated functions to a third party or by any further sub-delegation. The Management Company will, as a rule, have recourse against his own delegate for any loss incurred by reason of any misconduct or default on the part of such delegate.

The Management Company has additional own funds which are appropriate to cover potential liability risks arising from professional negligence in its capacity as AIFM of the Fund. Based on the existence of these available assets, it is not considered that additional contributions to cover any new risks attributable to the Fund, or liability insurance, are required.

3. Swiss Life Asset Management Ltd as Asset Manager

Pursuant to an asset management agreement, amended and restated dated 24 November 2016, Swiss Life Asset Management Ltd has been appointed by the Management Company as asset manager / property manager (the "**Asset Manager**") to provide all types of property management and related advisory services to the Management Company in relation to Portfolio Investments, which consist in the real estate assets / properties in which the Fund is invested, in compliance with the investment strategy, restrictions and objectives of the Fund, as such investment strategy, restrictions and objectives are set forth in the Management Regulations, this Placement Memorandum and any additional guidelines which may from time to time be indicated by the Management Company in writing.

Swiss Life Asset Management Ltd is a Swiss asset manager and a leading institutional real estate asset manager in Switzerland.

Subject to the general supervision, approval and responsibility of the Management Company, the Asset Manager carries out, *inter alia* and without limitations, the following operating functions in relation to the real estate properties, as well as day-to-day property management of real estate assets held by the Fund and related advisory services:

- provide assistance to the Management Company in relation to the sourcing of real estate investment projects or proposed other indirect investments and the carrying out of specific analyses and studies in relation to such proposed investments on the basis of the investment objectives of the Fund;
- propose to the Management Company acquisition, operating or disposition business plans in relation to the investment activities of the Fund;
- implement the Fund's investment strategic orientations or decisions to invest/divest, in accordance with this Placement Memorandum, the Management Regulations and applicable laws, with due consideration to the actual situation of the target market;
- implement the Fund's leverage strategy in compliance with this Placement Memorandum and the Management Regulations;
- perform due diligence operations in relation to the direct or indirect acquisition of real estate assets or other indirect investments via real estate funds or real estate companies;
- perform all formalities in relation to the acquisition, financing and sale of real estate assets or participation interests of the Fund, including the negotiation of the sale agreements and of the financing arrangements in relation to such acquisitions;
- communicate to the Management Company the necessary information in order for the Management Company to be able to monitor the funds' investment restrictions;
- provide the Management Company with reports relevant for the supervision of the management of the assets of the Fund to assist the Management Company in its risk control activities;

- control, validate, and summarize the financial statements of the real estate assets/or property development projects held by the Fund;
- arrange the property management of each property held directly by the Fund or via Subsidiaries, either performing the relevant functions itself or by appointing suitable third party property managers of repute with experience of managing properties and monitoring the activities of such managers;
- arrange for independent valuations when required, in accordance with principles specified by the Management Company;
- coordinating the preparation and submittal of appropriate tax returns in relation to the properties held directly by the Fund or via Subsidiaries to the relevant tax authorities;
- managing the obtaining of any necessary valuations, planning permissions, etc.

The contractual arrangements between the Management Company and the Asset Manager provide for the possibility for the Asset Manager to delegate its property management functions relating to Portfolio Investments, in total or only in part, to one or several property managers (the "**Property Manager(s)**"), with the prior acknowledgement and approval of the choice of the relevant delegate(s) by the Management Company.

Livit AG has been appointed as Property Manager pursuant to a property management agreement effective as of 22 August 2012. The Asset Manager and Management Company however have the right to appoint any other third party entity to carry out property management services in relation to the real estate assets / properties of the Fund held directly or via Subsidiaries.

Livit AG is one of the leading property management companies in Switzerland and a wholly-owned subsidiary of Swiss Life.

Subject to the supervision and responsibility of the Asset Manager, as well as under the general supervision of the Management Company, the Property Manager carries out, *inter alia* and without limitations, the following day-to-day property management functions with respect to the properties/real estate assets held directly by the Fund or via Subsidiaries:

- overseeing timely rent collections from tenants and monitoring receipt of rents;
- monitoring, inspecting and maintaining the properties and overseeing compliance by tenants of their obligations;
- conducting all appropriate negotiations in relation to surrenders of tenancies, rent reviews, granting of new tenancies, renewals of existing tenancies and any amendment or waiver of any term of the leases;
- billing tenants for charges due under lease agreements, and managing collection of such amounts;
- preparation of operating and capital budgets for the property and any improvements or tenant installations;
- managing the obligations and requirements of the relevant insurance policies and managing any insurance claims process;
- performing all general and registrar administration services in connection with the properties and keeping all records as appropriate;

- arranging for any contracted-out services to be provided as and when appropriate;
- carrying out any supplementary real estate management services and such other supplementary services as may be agreed with the Asset Manager.

Asset Management Fee and Property Management Fee

In consideration for the asset and portfolio management services rendered by the Asset Manager, the Asset Manager will be entitled to receive an asset management fee of such amount as agreed from time to time between the Management Company and the Asset Manager, which shall be considered as an operating expense and shall be borne out of the assets of the Fund, either directly by the Fund or indirectly by the relevant Subsidiary(ies), as applicable, within the limits provided under section XIV "Fees, Costs and Expenses" hereof.

In consideration of the property management services rendered by the Asset Manager or the Property Manager by delegation, the relevant service provider will be entitled to receive a property management fee out of the assets of the Fund or out of the assets of the relevant Subsidiaries of such amount as agreed from time to time between the Asset Manager and the Property Manager, with a maximum amount of five percent (5%) of the rental income of properties held directly by the Fund or via its Subsidiaries. For the avoidance of any doubt, such property management fee shall not be deducted from the portion of Management Fee paid to the Asset Manager either by the Management Company or directly by the Fund.

4. The Independent Appraiser

All Real Estate properties held by the Fund will be valued by the Management Company on the basis of an appraisal of one or more Independent Appraisers at least once per Financial Year at the end of a calendar quarter, typically at the end of the Financial Year. The Independent Appraisers do not qualify as "external valuers" as such term is used in article 17 of the 2013 Law (the "**Independent Appraiser(s)**"). Such valuation may be used throughout the following Financial Year unless there is a change in the general economic situation or in the condition of the relevant properties or property rights held by the Fund or by any of its Subsidiaries which requires new valuations to be carried out under the same conditions as the annual valuations.
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The Independent Appraiser(s) shall be required to appraise or reappraise properties in relation to any acquisition (through sale or contribution of assets) and/or disposal. A new valuation shall not be necessary if the sale of the property and/or property interest takes place within six (6) months of the last valuation thereof.

The Independent Appraiser(s) shall not be affiliated with the Management Company, the Asset Manager or the Property Manager(s).

The fees of the Independent Appraiser(s) shall be borne out of the net assets of the Fund, either directly by the Fund or indirectly by the relevant Subsidiary(ies) of the Fund.

Investors shall be informed about the name and background of the Independent Appraiser(s) selected by the Management Company in the Management Company's management reports and in the financial reports of the Fund.

Wüest Partner AG is appointed as Independent Appraiser from the start of the activities of the Fund.

Wüest Partner AG is an international consultancy firm for real estate. It focuses on the property and construction sectors, urban development and locational trends. Its multidisciplinary team counsels institutional owners, banks and insurers, construction and real estate companies, public authorities and private clients.

Staffed with over one hundred and fifty (150) specialists from a variety of fields – including architecture, economics, IT, engineering, natural and social sciences – the company has an excellent multidisciplinary knowledge base on which to build. It also has an unrivalled real estate pool of data on all regions and market segments, enabling it to provide in-depth consultancy throughout Switzerland and furnish information to make the real estate markets more transparent.

5. Distributors

The Fund may decide to appoint one or more distributors within the framework of the distribution of Investors Units in countries where they will be marketed (the "**Distributors**").

Where the intervention of a Distributor is an integral part of the marketing mechanism, the relationships between the Management Company for the benefit of the Fund, the Distributor and the Unitholders must be stipulated in a specific agreement, specifying the respective obligations of the parties. The Management Company will ensure that the Distributors offer sufficient guarantees for the proper execution of their obligations to Unitholders using their services.

Furthermore, the intervention of a Distributor must necessarily comply with the following conditions:

1. Unitholders must be able to invest directly in the Fund without using the Distributor as a broker;

2. agreements between the Distributor and Unitholders must contain a rescission clause allowing Unitholders the right to claim, at any time, direct ownership of the securities subscribed to through a Distributor.

The conditions above shall nonetheless not be applicable, in the event that the services of a Distributor are unavoidable (or even mandatory), due to some legal or regulatory requirements or restrictive practices.

In the event of the appointment of a Distributor, the latter must implement the procedures to combat money laundering, as described in section VII. "Prevention of Money Laundering".

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the Unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

Pursuant to a placement agreement effective as of 22 August 2012, the Management Company has appointed Swiss Life Asset Management AG, Zurich as placement agent to market the Investors Units of the Fund in Switzerland.

V. DEPOSITARY

Under a depositary and paying agent agreement effective as of 14 November 2014 (the "**Depositary and Paying Agent Agreement**"), Société Générale Luxembourg (in such capacity, the "**Depositary**") has undertaken to provide depositary bank and custody services for the Fund's assets.

Société Générale Luxembourg , with registered office at 11, avenue Émile Reuter, L-2420 Luxembourg, Grand Duchy of Luxembourg, is a *société anonyme* created under Luxembourg law to carry out all types of banking activities.

The Depositary is responsible for (i) the custody of all financial instruments of the Fund and (ii) the verification of ownership of other assets of the Fund as well as (iii) the monitoring of the cash of the Fund and (iv) such additional oversight functions as set out under article 19, paragraph 9 of the 2013 Law, namely:

(a) ensure that the sale, issue, repurchase and cancellation of Units of the Fund are carried out in accordance with the Luxembourg laws and regulations and the Fund's constitutive documents;

(b) ensure that the value of the Units of the Fund is calculated in accordance with applicable Luxembourg law, the Fund's constitutive documents and the valuation procedures adopted in respect of the Fund in accordance with the 2013 Law;

(c) carry out instructions of the Management Company provided such instructions do not conflict with the Luxembourg law and the Fund's constitutive documents; in particular, monitor the Fund's compliance with the investment restrictions and leverage limits set out in the Placement Memorandum.

(d) ensure that in respect of transactions involving the assets of the Fund, the consideration is remitted to the Fund within the usual time limits;

(e) ensure that the income of the Fund is applied in accordance with the Luxembourg law and the Fund's constitutive documents.

The Depositary has further been appointed as paying agent. As paying agent, the Depositary is responsible for the payment of dividends (if any) to the Unitholders.

Delegation

The Depositary is not authorised to delegate to third parties, subject to the conditions laid down in the 2013 Law, its depositary functions, save for those relating to (i) the safekeeping of financial instruments to be held in custody and (ii) the verification of ownership and the maintenance of a record with respect to other assets. Such third parties shall be appointed by

the Depositary under its responsibility with due skill, care and diligence. The above delegations shall each time be justified by objective reasons.

Liability of the Depositary

The liability of the Depositary shall in principle not be affected by such delegation(s) and the Depositary shall be liable to the Fund or its Investors for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated.

The Depositary may discharge its responsibility in case of a loss of a financial instrument (i) in the event that a *force majeure* event has occurred pursuant to article 19(12) second paragraph of the 2013 Law; or (ii) where it has contractually discharged its responsibility in compliance with article 19(13) of the 2013 Law; or (iii) in compliance with the conditions set out under article 19(14) of the 2013 Law where the laws of a third country requires that certain financial Instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 19(11) of the 2013 Law.

Under no circumstances shall the Depositary be liable to the Fund or any other person for indirect or consequential damages and the Depositary shall not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

Look through vehicles

The Depositary's duty regarding monitoring of cash flows shall not apply to cash held by financial and, as the case may be, or legal structures directly or indirectly controlled by the Fund or the AIFM acting on behalf of the Fund.

The Depositary's safekeeping duties with respect to financial instruments shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures directly or indirectly controlled by the Fund or the AIFM acting on behalf of the Fund. However, this does not apply to fund of funds structures or master-feeder structures where the underlying funds have a depositary which keeps in custody the assets of these funds.

The Depositary's safekeeping duties with respect to other assets shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures established by the Fund or by the AIFM acting on behalf of the Fund for the purpose of investing in the underlying assets and which are controlled directly or indirectly by the Fund or the AIFM acting on behalf of the Fund. This does not apply to fund of funds structures and master-feeder structures where the underlying funds have a depositary which provides ownership verification and record-keeping functions for this Fund's assets.

Other provisions of the Depositary and Paying Agent Agreement

The Depositary and Paying Agent Agreement is governed by the laws of Luxembourg and the courts of Luxembourg shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary and Paying Agent Agreement.

Société Générale Luxembourg is entitled, in its capacity as Depositary and paying agent, to receive a fee for the performance of its duties, as indicated in the Depositary and Paying Agent Agreement.

The fees and charges of the Depositary are borne by the Fund in accordance with common practice in Luxembourg.

VI. ADMINISTRATION AGENT – REGISTRAR AND TRANSFER AGENT

A. Administration Agent

Under an administrative and corporate agent agreement effective as of 14 November 2014, Société Générale Luxembourg has been appointed as administration agent of the Fund (the "**Administration Agent**"). This agreement is also available for inspection by the Unitholders at the registered office of the Management Company.

The Administration Agent is responsible for the administration of the Fund, the maintenance of records and other general administrative functions. The Administration Agent shall assist the Management Company, acting in its own name and on behalf of the Fund, to determine the Net Asset Value, the attention of Unitholders being drawn to the fact that, for the avoidance of doubt, the Management Company, acting in its own name and on behalf of the Fund, shall provide, with the assistance of specialised and reputable service providers, or cause third party specialised and reputable service providers to provide, the Administration Agent with the pricing/valuation of the Portfolio Investments with respect to which no market price or fair value is made available to the general public or to the whole community of professionals of the financial sector, together with appropriate supporting data or evidence regarding the accuracy of such pricing/valuation, in accordance with the rules laid down in the Management Regulations and this Placement Memorandum. The Management Company, acting in its own name and on behalf of the Fund, shall remain ultimately responsible for the pricing/valuation of such Portfolio Investments.

The Administration Agent is also responsible for providing the financial reports of the Fund.

Société Générale Luxembourg is entitled, in its capacity as Administration Agent, to receive a fee for the performance of its duties, as indicated in the administration services agreement.

The fees and charges of the Administration Agent are borne by the Fund in accordance with common practice in Luxembourg.

B. Registrar and Transfer Agent

Under an amended and restated registrar and transfer agent agreement effective as of 1 July 2015, Société Générale Luxembourg, which has taken over by way of merger by absorption European Fund Services S.A., has been appointed as registrar and transfer agent (the "**Registrar and Transfer Agent**") of the Fund. This agreement is also available for inspection by the Unitholders at the registered office of the Management Company.

The Registrar and Transfer Agent is responsible for the processing of the issue (registration) and redemption of the Units and settlement arrangements thereof. The Registrar and Transfer Agent shall furthermore assist the Management Company, acting in its own name and on behalf of the Fund, to determine whether prospective Investors willing to subscribe for Units meet the eligibility requirements foreseen in article 2 of the 2007 Law, *i.e.* that they qualify either as Institutional Investors, Professional Investors or Well-informed Investors.

Société Générale Luxembourg is entitled, in its capacity as Registrar and Transfer Agent, to receive a fee for the performance of its duties, as indicated in the registrar and transfer agent agreement.

The fees and charges of the Registrar and Transfer Agent are borne by the Fund in accordance with common practice in Luxembourg.

VII. PREVENTION OF MONEY LAUNDERING

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended) as well as CSSF circulars and regulations, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes.
As a result of such provisions, the Fund, the Management Company, the Administration Agent or the Registrar abd Transfer Agent acting on behalf of the Fund may request from each prospective Investor any information and document as may reasonably be required to enable them to be in a position to comply with the relevant obligations.

This identification procedure must be complied with by the Administration Agent and the Registrar and Transfer Agent (or the relevant competent agent of the Administration Agent or and the Registrar and Transfer Agent) in the case of direct subscriptions to the Fund, and in the event of subscriptions received from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering.

It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force (Groupe d'Action Financière (the "GAFI")) are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

In any case, the Fund, the Management Company, the Administration Agent and/or the Registrar and Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons / anti-money laundering compliance purposes only and shall not be disclosed to unauthorised persons unless if required by applicable laws and regulations.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Fund nor the

Management Company, the Administration Agent and/or the Registrar and Transfer Agent have any liability for delays or failure to process transactions as a result of the investor providing no or only incomplete documentation.

Investors may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under applicable Luxembourg laws and regulations.

In addition and when applicable, the Management Company will ensure that an enhanced due diligence will be performed on intermediaries, if Units of the Fund are subscribed through an intermediary acting on behalf of his customers. Such enhanced due diligence measures apply *mutatis mutandis* pursuant to the terms of article 3-2 (3) of the 2004 Law, article 3 (3) of the Grand-ducal regulation of 1 February 2010 and articles 3 and 28 of CSSF regulation 12-02.

The Management Company ensures due diligence and regular monitoring on both the customers and the asset side of the Fund (i.e. including in the context of acquisition and disposition of the Fund's assets), in accordance with articles 3 (7) and 4 (1) of the 2004 Law and number 309 of CSSF Circular 18/698).

The Management Company should assess, considering its risk based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system. As a general rule, the Management Company will perform target financial sanction screening as well as due diligence on the parties to a transaction when acquiring or disposing the assets of the Fund. Such due diligence entails notably (i) a targeted financial sanctions screening, (ii) identification and verification of the identity of the parties to a transaction as well as of their beneficial owner (including a target company, if applicable).

In addition, the Registrar and Transfer Agent is obliged to provide the AIFM with the relevant information without delay, on requests from the Luxembourg authorities in the prosecution of offenses relating to money laundering in the context of Luxembourg legislation and international legal assistance agreements. This concerns in particular the transfer of identification documents and the inspection of the account opening documents by the Management Company.

The Registrar and Transfer Agent will ensure that Investors correspond at all times with the requirements for well-informed investors elaborated under article 2(1) of the 2007 Law, and that other possibly relevant restrictions of Investors according to this Offering Memorandum and the Management Regulations are complied with.

VIII. DESCRIPTION OF THE UNITS OF THE FUND

1. General Considerations

Units may only be issued to and held by Eligible Investors.

However, the Management Company, the members of the Board of Directors or other persons who are involved in the management of the Fund do not need to qualify as Institutional Investors, Professional Investors or Well-informed Investors.

Unitholders are bound by the terms of the Management Regulations, which determine the contractual relationship both among Unitholders and the Management Company, and the Depositary.

Units may be issued in one or more Classes by the Management Company; each Class having different features, currencies or rights or being offered to different types of Investors.

At present the following one (1) Class of Investors Units is available for subscription:

Investors Units Dis: distribution Units denominated in Swiss Francs (CHF).
The Management Company may at any time create and issue new Classes.

Distributions shall periodically be made to holders of Investors Units Dis upon the discretionary decision of the Management Company.

Investors Units of any Class will be issued in registered form only.

The inscription of the Unitholder's name in the register of Units evidences his or her right of ownership of such registered Units. A holder of registered Units shall receive upon request a written confirmation of his or her unitholding.

Investors Units are issued with no nominal value and must be fully paid-up.

Fractional Investors Units may be issued up to three (3) decimals of a Unit. Such fractional Units shall be entitled to a participation in the net results and in the proceeds of liquidation on *a pro rata* basis.

2. Reference Currency, NAV Calculation and Frequency of Dealings

The Reference Currency of the Fund shall be the Swiss Franc (CHF).

The NAV per each Class of Investors Units shall be calculated as at the end of the financial half year (31 March) and at the end of each financial year (30 September), but also at any other date that the Management Company may decide in its absolute discretion (each a "**Valuation Day**"). The relevant calculations shall be carried out by the Administration Agent, under the supervision of the Management Company.

Dealing Days shall occur within maximum sixty (60) Business Days following the applicable Valuation Day.

3. Initial Offering Period

Subscriptions during the Initial Offering Period

The Initial Offering Period commenced on 3 September 2012 and ended no later than 16.00 Luxembourg time on 19 October 2012. The first closing was the last Business Day of the Initial Offering Period (the "**First Closing**").

Subscriptions during the Initial Offering Period were accepted at an Initial Subscription Price of one thousand Swiss Francs (CHF 1,000.-) per Investors Units Dis , with a subscription fee of up to five percent (5%) of the subscribed amount.

Assignment of Units subscribed for during the Initial Offering Period

Units were assigned to Investors on 26 October 2012. The Management Company decided upon the number of Units assigned to each Investor and any potential reduction of assignments at its sole discretion.

4. Subscription for and Issue of Units of the Fund

The Fund may issue an unlimited number of fully paid-up Investors Units of any Class at any time, at the sole and entire discretion of the Management Company. The Management Company may at its sole discretion reserve to the existing Unitholders a preferential right to subscribe for the Units to be issued.

Subscriptions for Investors Units of any Class shall be dealt with respect to each Valuation Day. Investors Units will be issued at the applicable Net Asset Value per Investors Unit. The price to be paid may be increased by a subscription fee payable to the Management Company, which in any case will not exceed five percent (5%) of the subscribed amount.

In order to be dealt with respect to any given Valuation Day, subscription requests must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) two (2) Business Days before the applicable Valuation Day. Subscription monies are payable in Swiss Francs (CHF) and must reach the Fund no later than three (3) Business Days before the applicable Dealing Day. However, the Management Company may decide that subscriptions for Investors Units of any Class are dealt with respect to any additional valuations carried out with respect to extraordinary Valuation Days. Units will in this case be issued at the applicable Net Asset Value per Investors Unit.

5. Contributions in Kind

The Management Company may agree to issue Units as consideration for a contribution in kind of assets, provided that such assets comply with the investment objectives, policies and restrictions of the Fund and in accordance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a special valuation report from the auditor of the Fund ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of assets shall be borne by the relevant Investor.

IX. RESTRICTION ON THE OWNERSHIP OF UNITS

Subscription for Investors Units is restricted to Eligible Investors.

The Management Company may restrict or reject any applications for Units in the Fund by any person and may cause any Units to be subject to compulsory redemption if the Management Company considers that this ownership involves a violation of the law of the Grand Duchy or abroad, or may involve the Fund in being subject to taxation in a country other than the Grand Duchy or may in some other manner be detrimental to the Fund.

To that end, the Management Company may:

(i) decline to issue any Units when it appears that such issue might or may have as a result the allocation of ownership of the Units to a person who is not authorized to hold Units in the Fund;

(ii) proceed with the compulsory redemption of all the relevant Units if it appears that a person who is not authorized to hold such Units in the Fund, either alone or together with other persons, is the owner of Units in the Fund, or proceed with the compulsory redemption of any or a part of the Units, if it appears to the Management Company that one (1) or several persons is or are an owner or owners of a proportion of the Units in the Fund in such a manner that this may be detrimental to the Fund. The procedure applicable to the compulsory redemption is set out in paragraph (iii) below. The price at which the Units specified in the redemption notice shall be redeemed (the "**redemption price**") shall in such instances be equal to the Net Asset Value per Unit. Payment of the redemption price will be made to the owner of such Units in the reference currency of the relevant Class, except during periods of exchange restrictions, and will be deposited by the Management Company, within a period of time customary to the industry with a bank in Luxembourg or elsewhere (as specified in the purchase notice) for payment to such owner upon surrender of the Unit certificate or certificates, if issued, representing the Units specified in such notice. Upon deposit of such redemption price as aforesaid, no person interested in the Units specified in such purchase notice shall have any further interest in such Units or any of them, or any claim against the Fund or its assets in respect thereof, except the right of the Unitholders appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the Unit certificate or certificates, if issued, as aforesaid. The exercise by the Management Company of this power shall not be questioned or invalidated in any case, on the grounds that there was insufficient evidence of ownership of Units by any person or that the true ownership of any Units was otherwise than appeared to the Management Company at the date of any purchase notice, provided that in such case the said powers were exercised by the Management Company in good faith; and/or

(iii) the Management Company shall send a notice (hereinafter called the "**redemption notice**") to the Unitholder holding the relevant Units; the redemption notice shall specify the Units to be redeemed, the price to be paid, and the place where this price shall be payable. The redemption notice may be sent to the Unitholder by recorded delivery letter to his last known address. The Unitholder in question shall be obliged without delay to deliver to the Management Company the certificate or certificates, if there are any, representing the Units specified in the redemption notice. From the

close of business of that day specified in the redemption notice, the Unitholder shall cease to be the owner of the Units specified in the redemption notice and the certificates representing these Units shall be rendered null and void in the financial and legal records of the Fund.

X. REDEMPTION AND CONVERSION OF UNITS

1. Redemption of Units

Investors will have the right to obtain redemption of their Units with respect to one single Dealing Day at the NAV then prevailing. The redemption price will be based on the Net Asset Value per Unit to be redeemed, calculated as of the Valuation Day immediately preceding the relevant Dealing Day. Redemption requests must be received by the Registrar and Transfer Agent no later than 16h00 (Luxembourg time) twelve (12) months before the applicable financial year end Valuation Day (*i.e.* 30 September each year). Requests received after the deadline will take effect with respect to the next following financial year end Valuation Day.

However, the Management Company may also accept, at its full discretion and in accordance with the principle of equal treatment of Unitholders, a request of Unitholders to redeem Units at a price equal to the applicable Net Asset Value per Unit, provided that such early redemption can be met out of the subscription amounts received with respect to the same Valuation Day or with the actual and current liquidities of the Fund.

Units shall be redeemed and redemption proceeds shall be paid in Swiss Francs (CHF) within two (2) months after the applicable Dealing Day.

The Management Company can reject applications for Unit redemptions, when, at its sole discretion, such redemption or conversion may be detrimental to the interests of the Fund and of the remaining Unitholders.

To the extent possible and in compliance with the requirement to treat all Unitholders fairly, the Fund shall have the right, if the Management Company so determines, to satisfy payment of the redemption price to any Unitholder who agrees, *in specie* by allocating to the Unitholder's investments from the portfolio of assets of the Fund equal to the value of the Units to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Unitholders and the valuation used shall be confirmed by a special report of the auditor of the Fund ("*réviseur d'entreprises agréé*"). The costs of any such transfers shall be borne by the transferee.

Redemptions of Units shall be subject to a redemption fee of one point fifty per cent (1.50%) of the amount redeemed.

2. Conversion of Units

The Management Company may at its sole and entire discretion allow Unitholders to convert Investors Units from one Class into another. Conversation requests must be received by the Registrar and Transfer Agent no later than 16h00 (Luxembourg time) thirty (30) calendar days

before the applicable Valuation Day. Requests received after the deadline will not become effective until the next succeeding Valuation Day.

Unitholders whose application for conversion is accepted by the Management Company will have their Investors Units converted on the basis of the relevant Net Asset Value per Investors Units. The relevant Investors Units will be issued within two (2) Business Days after the applicable Dealing Day.

In addition, if any application for redemption or conversion is received in respect of any relevant Valuation Day (the "**First Valuation Day**") which either alone or when aggregated with other applications so received, is above the liquidity threshold determined by the Management Company, the Fund reserves the right in its sole and absolute discretion (and in the best interests of the remaining Unitholders) to scale down pro rata each application with respect to such First Valuation Day so that not more than the corresponding amounts be redeemed or converted with respect to such First Valuation Day. To the extent that any application is not given full effect with respect to such First Valuation Day by virtue of the exercise of the power to pro-rate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Unitholder in respect of the next following Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full. With respect to any application received in respect of the First Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto shall be dealt with as set out in the preceding sentence.
The suspension of the redemption and/or conversion of Units, shall be notified to the relevant persons through all means reasonably available to the Fund, unless the Management Company is of the opinion that a publication is not necessary considering the short period of the suspension.

Such a suspension decision shall be notified to any Unitholders requesting redemption or conversion of their Units.

XI. DETERMINATION OF THE NET ASSET VALUE

The Net Asset Value of the Units is expressed in the Reference Currency.

The Management Company sets the Valuation Days, and the methods whereby the Net Asset Value is made public, in compliance with the legislation in force.

1. Assets of the Fund

The assets of Fund include:

- real estate assets;
- all cash in hand or on deposit, including any outstanding accrued interest;

- all bills and promissory notes and accounts receivable, including outstanding proceeds of any sale of securities;

- all securities, shares, bonds, time notes, debenture stocks, options or subscription rights, warrants, money market instruments, and all other investments and transferable securities belonging to the Fund;

- all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (the Fund may, however, make adjustments to account for any fluctuations in the market value of transferable securities resulting from practices such as ex-dividend or ex-claim negotiations);

- all outstanding accrued interest on any interest-bearing securities belonging to the Fund, unless this interest is included in the principal amount of such securities;

- the Fund's preliminary expenses, to the extent that such expenses have not already been written-off;

- the Fund's other fixed assets, including office buildings, equipment and fixtures; and

- all other assets whatever their nature, including the proceeds of swap transactions and advance payments.

2. Fund's liabilities

The Fund's liabilities shall include:

- all borrowings, bills, promissory notes and accounts payable;

- all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;

- a provision for capital, income or other taxes accrued on the Valuation Day and any other provisions authorised or approved by the Management Company; and

- all other liabilities of the Fund, except liabilities represented by Units. In determining the amount of such liabilities, the Fund shall take into account all expenses payable by the Fund including, but not limited to:

  - start-up costs,
  - expenses in connection with and fees payable to, its investment manager(s), advisors(s), accountants, custodian and correspondents, registrar, transfer agents, paying agents, brokers, distributors, permanent representatives in places of registration and auditors, appraisers, lawyers,
  - administration, domiciliary, services, promotion, printing, reporting, publishing (including advertising or preparing and printing of issuing documents of the Fund, explanatory memoranda, registration statements, financial reports) and other operating expenses,

- the cost of buying and selling assets (transaction costs),
- interest and bank charges, and
- taxes and other governmental charges.

The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated basis annually or for other periods in advance and may accrue the same in equal proportions over any such period.

3. Determination of the value of the Fund's assets

The value of the Fund's assets shall be determined as follows:

- investments in real estate assets shall be valued with the assistance of one or several Independent Appraiser(s) designated by the Management Company for the purpose of appraising, where relevant, the fair value of a property investment in accordance with its/their applicable standards.

  The valuation follows the definition of market value as set out in the «European Valuations Standards» by TEGoVA (The European Group of Valuer's Associations) guidelines and the RICS Red Book (Royal Institution of Chartered Surveyors, Appraisal and Valuation Standards,): «Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion».

  No allowance will be made for any cost occurring in the context of a transaction (transaction fees, taxes, charges etc.), income taxes (with the exception of direct property taxes) or interest.

  All properties and/or property interests of the Fund shall be valued by the Independent Appraiser(s) by way of a valuation of the portfolio as the Management Company may reasonably require and at least on a yearly basis, provided that a new valuation is conducted by that Independent Appraiser with respect to each day on which new Units are issued or Units are redeemed, or if there is a change in the general economic situation or in the condition of the properties which requires a new valuation to be conducted as of the relevant Valuation Day.

- investments in private equity securities will be appraised at a fair value under the direction of the Management Company in accordance with appropriate professional standards, such as, for example, and without limitation, the International Private Equity and Venture Capital Valuation Guidelines published by the European Private Equity and Venture Capital Association (EVCA);

- the value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, shall be equal to the entire amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;

- the value of all portfolio securities and money market instruments or derivatives that are listed on an official stock exchange or traded on any other Regulated Market will be based on the last available price on the principal market on which such securities, money market instruments or derivatives are traded, as supplied by a recognized pricing service approved by the Management Company. If such prices are not representative of the fair value, such securities, money market instruments or derivatives as well as other permitted assets may be appraised at a fair value at which it is expected that they may be resold, as determined in good faith under the direction of the Management Company;

- the value of securities and money market instruments which are not quoted or traded on a Regulated Market will be valued at a fair value at which it is expected that they may be resold, as determined in good faith under the direction of the Management Company;

- the value of the participations in investment funds shall be based on the last available valuation. Generally, participations in investment funds will be valued in accordance with the methods provided by the instruments governing such investment funds. These valuations shall normally be provided by the fund administrator or valuation agent of an investment fund. To ensure consistency within the valuation of the Fund, if the time at which the valuation of an investment fund was calculated does not coincide with the valuation time of the Fund, and such valuation is determined to have changed materially since it was calculated, then the Net Asset Value may be adjusted to reflect the change as determined in good faith under the direction of the Management Company;

- the valuation of swaps will be based on their market value, which itself depends on various factors (*e.g.* level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value;

- the valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges or on other recognized markets, will be based on their net liquidating value determined, pursuant to the policies established under the direction of the Management Company on the basis of recognised financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealised profit/loss with respect to the relevant position; and

- the value of other assets will be determined prudently and in good faith under the direction of the Management Company in accordance with generally accepted valuation principles and procedures.

The Management Company, at its discretion, may authorize the use of other methods of valuation if it considers that such methods would enable the fair value of any asset of the Fund to be determined more accurately.

Where necessary, the fair value of an asset is determined by the Management Company, or by a committee appointed by the Management Company.

All valuation regulations and determinations shall be interpreted and made in accordance with Luxembourg generally accepted accounting principles (Lux GAAP).

Adequate provisions will be made for expenses incurred and due account will be taken of any off-balance sheet liabilities in accordance with fair and prudent criteria.

For each Class, the Net Asset Value per Unit shall be calculated in the relevant Reference Currency with respect to each Valuation Day by dividing the net assets attributable to the Fund and to such Class (which shall be equal to the assets minus the liabilities attributable to the Fund and to such Class) by the number of Units issued and in circulation in the Fund and to such Class. Assets and liabilities expressed in foreign currencies shall be converted into the relevant Reference Currency, based on the relevant exchange rates.

In the absence of bad faith, wilful default, gross negligence or manifest error, every decision to determine the Net Asset Value taken by the Management Company or by any bank, company or other organization which the Management Company may appoint for such purpose, shall be final and binding on the Fund and present, past or future Unitholders.

XII. TEMPORARY SUSPENSION OF NET ASSET VALUE CALCULATION

The Fund may suspend the determination of the Net Asset Value and/or, where applicable, the subscription, redemption and/or conversion of Units, in the following cases:

- when the information or calculation sources normally used to determine the value of the Fund's assets are unavailable, or if the value of the Fund's investment cannot be determined with the required speed and accuracy for any reason whatsoever;

- when the stock exchange(s) or market(s) that supplies/supply prices for a significant part of the assets of the Fund, is/are closed, or in the event that transactions on such a market are suspended, or are subject to restrictions, or are impossible to execute in volumes allowing the determination of fair prices;

- when exchange or capital transfer restrictions prevent the execution of transactions of the Fund or if purchase or sale transactions of the Fund cannot be executed at normal rates;

- when the political, economic, military or monetary environment, or an event of *force majeure*, prevent the Fund from being able to manage normally its assets or its liabilities and prevent the determination of their value in a reasonable manner;

- when, for any other reason, the prices of any significant investments owned by the Fund cannot be promptly or accurately ascertained;

- when the Fund is in the process of establishing exchange parities in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;

- when there is a suspension of redemption or withdrawal rights by several investment funds in which the Fund is invested; and

- in exceptional circumstances, whenever the Management Company considers it necessary in order to avoid irreversible negative effects on the Fund, in compliance with the principle of fair treatment of investors / Unitholders.

In addition, in order to prevent market timing opportunities arising when a net asset value is calculated on the basis of prices which are no longer up to date, the Management Company is authorised to suspend temporarily issues, redemptions and conversions of Units when the market(s) or pricing sources that supplies/supply prices for a significant part of the assets of the Fund are closed or unavailable, if and when applicable.

Once the suspension period is lifted by the Management Company, the redemption of Units shall be treated in respect of the corresponding Dealing Day at the NAV then prevailing, calculated as of the Valuation Day immediately preceding such Dealing Day.

To the extent not all applications for redemption can be executed with respect to the relevant Valuation Day, they shall be executed on a first in first out basis and shall be treated with respect to the next corresponding Dealing Day and, if necessary, subsequent Dealing Days at the NAV then prevailing, calculated as of the Valuation Day immediately preceding such Dealing Day(s).

In the event of exceptional circumstances that may adversely affect the interests of the Unitholders or insufficient market liquidity, the Management Company reserves its right to determine the Net Asset Value of the Units only after it shall have completed the necessary purchases and sales of securities, financial instruments or other assets on the Fund's behalf.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Units, shall be notified to the relevant persons through all means reasonably available to the Fund, unless the Management Company is of the opinion that a publication is not necessary considering the short period of the suspension.

XIII. DISTRIBUTION POLICY

The Fund shall not proceed to distributions, either by way of distribution of dividends or redemption of Units, in the event that the net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of one million two hundred fifty thousand Euro (EUR 1,250,000.-).

Distributions shall be decided at the sole and entire discretion of the Management Company, either by means of annual dividends and interim dividends to the extent feasible as well as by the redemption of Units or the allocation of the Fund's liquidation proceeds, as the case may be. As a rule however, the Management Company intends to distribute the net financial profits arising from the rental income of the properties of the Fund and reinvest the disposal proceeds of real estate assets and/or property development projects. For the avoidance of doubt, the Management Company may, at its sole discretion, distribute the profits (i.e. capital gain portion)

of the disposal proceeds of real estate assets and/or property development projects, it being understood that only the cost basis of disposal proceeds of real estate assets and/or property development projects will be reinvested.

XIV. FEES, COSTS AND EXPENSES

Management Fee and Transaction / Structuring Fees

An annual Management Fee paid quarterly in advance at a maximum rate of one percent (1%) per annum (plus value added tax, if applicable) and calculated on the total gross asset value of the assets of the Fund as of the end of the preceding quarter will be paid by the Fund in aggregate to (i) the Management Company, (ii) the Asset Manager, (iii) the Distributors, and/or (iv) the Depositary and the Administration Agent.

In addition thereto, in consideration of the property management services rendered by the Asset Manager or the Property Manager by delegation, the relevant service provider will be entitled to receive a property management fee out of the assets of the Fund or out of the assets of the relevant Subsidiaries of such amount as agreed from time to time between the Asset Manager and the Property Manager, with a maximum amount of five percent (5%) of the rental income of properties held directly by the Fund or via its Subsidiaries. For the avoidance of any doubt, such property management fees shall not be deducted from the portion of Management Fees paid to the Asset Manager either by the Management Company or directly by the Fund.

With specific respect to the acquisition (purchase) and disposal (sale) of any property/real estate asset purchased and/or sold by the Fund or any Subsidiary of the Fund, transaction fees of up to two point five percent (2.5%) of the acquisition costs (purchase) and final disposal (sale) price shall be paid to the Management Company and/or to its respective designees. Such transaction fees will be net of all acquisition costs, applicable value added tax (VAT) and any other taxes, and shall be payable to the Management Company or its respective designees out of the assets of the Fund or appropriate Subsidiary at the time of the transaction.

Finally, a commission shall be charged to the Fund or appropriate Subsidiary by the Asset Manager or its respective designee(s) of up to three percent (3%) maximum of construction costs for work undertaken in connection with building, renovation and rebuilding.

Costs, Fees and Expenses

The Fund and/or relevant Subsidiary, as the case may be, shall bear (a) all expenses relating to committed investments implemented or not implemented (broken deal cost), including legal, audit, remuneration of third party intermediary(ies) involved in a given transaction and other professional or sourcing fees in accordance with usual practice determined on an arm's length basis and taking local market conditions into consideration; (b) all expenses incurred with respect to the acquisition, development, holding, sale or proposed sale of any of the Fund's investments, including transfer taxes, registration costs, property building/development costs, and other taxes, fees or other governmental charges levied in connection therewith; and (c) all litigation and indemnification expenses related to the investments or business of the Fund.

The Fund shall also bear its general operating expenses, which shall include the fees and disbursements of the Registrar and Transfer Agent (for the avoidance of any doubt at the exclusion of the remuneration of the Depositary and Administration Agent), legal, audit, financing and accounting fees and all other out-of-pocket administration expenses and any taxes, fees or other governmental charges.

Each Subsidiary, as the case may be, shall bear their respective operating expenses such as, without limitation, any fees and expenses for legal counsel and auditors and appraisers and advice from any other experts, sourcing fees and any taxes, fees or other governmental charges levied against each Subsidiary arising in the regular course of business and in connection with the activities mentioned above.

XV. TAXATION

The following information is of a general nature only and is based on the Fund's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Placement Memorandum. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Units and the Fund and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Unitholders. This summary is based on the laws in force in Luxembourg on the date of this Placement Memorandum and is subject to any change in law that may take effect after such date. Prospective Unitholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position. Neither the Fund, the Management Company nor their advisors are liable for any loss which may arise as a result of current, or changes in, applicable tax laws, practice and their interpretation by any relevant authority.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

A. Taxation of the Fund

Direct Taxes

Under current law, the Fund which has no legal personality is fiscally transparent and not liable to Luxembourg income tax on its income nor to Luxembourg net wealth tax on its net assets.

Subscription Tax

The Fund is liable to the Luxembourg subscription tax ("*taxe d'abonnement*") at the rate of zero point zero one percent (0.01%) *per annum* on its aggregate net assets as it is constituted in the form of an FCP-SIF. The annual subscription tax is payable quarterly on the basis of the net consolidated asset value of the Fund at the end of each quarter.

As a general rule, the following exemptions from subscription tax may be available:

- where the Fund invests in the units of another Luxembourg undertaking for collective investment ("**UCI**") whereby that UCI has already been subject to a subscription tax provided by the 2007 Law or by the 2010 Law or by the amended law of 23 July 2016 relating to reserved alternative investment funds;

- where (i) the exclusive object of the Fund is the collective investment in money market instruments and the placing of deposits with credit institutions, and (ii) the weighted residual portfolio maturity does not exceed ninety (90) days, and (iii) the Fund has obtained the highest possible rating from a recognised rating agency;

- where Units are reserved for (i) institutions incorporated for occupational retirement provision, or similar investment vehicles, created on the initiative of one or several employers for the benefit of their employees or for (ii) companies of one or several employers investing funds they hold to provide retirement benefits to their employees.; or

- where the Fund invests in microfinance institutions.

Withholding Tax

Under current Luxembourg tax law, distributions, redemption or payment made by the Fund to the Unitholders will not be subject to Luxembourg withholding tax. Indeed, the Fund is deemed to be tax transparent from a Luxembourg tax perspective and distributions are performed for corporate reasons only but are disregarded from a tax perspective, as any income and loss derived at the level of the Fund is directly attributable to the Unitholders. There is also no withholding tax on the distributions of liquidation proceeds to the Unitholders.

The Fund may be subject to withholding taxes on dividend and interest, and on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, is not creditable / refundable in Luxembourg at the level of the Fund.

Value added tax

In Luxembourg, investment funds such as FCP-SIFs have the status of taxable persons for VAT purposes. Accordingly, the Fund and the Management Company are considered in Luxembourg as one single taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund and/or the Management Company could potentially trigger VAT and require the VAT registration of the Management Company in Luxembourg. As a result of such VAT registration, the Management Company / the Fund will be in a position to fulfil their duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to the Unitholders, to the extent that such payments are linked to their subscription to the Units and do therefore not constitute the consideration received for taxable services supplied.

Stamp duties

No stamp duty or other tax is payable in Luxembourg on the issue of Units by the Fund. However a fixed duty of 75 EUR is due upon the Management Company's incorporation and any subsequent amendment to the articles of association of the Management Company.

B. Taxation of the Unitholders

Tax residency

A Unitholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of the holding of the Units or the execution, performance, delivery and/or enforcement thereof.

Taxation of Luxembourg resident Unitholders

Since the Fund is a transparent entity for Luxembourg tax purposes, resident Unitholders should be subject to Luxembourg income tax on any income derived by the Fund from its investments according to the principles of the Luxembourg income tax law, meaning that income and gains received by the Fund should be taxed at the Unitholder level as soon as received by the Fund. However, a strict application of this tax transparency is rather uncommon for practical reasons.

Luxembourg resident companies

Luxembourg resident corporate Unitholders (*sociétés de capitaux*), as well as non-resident Unitholders having a permanent establishment or a permanent representative in Luxembourg to which or to whom the Units are attributable, must include any income received, as well as any gains realised on the sale, disposal or redemption of Units, in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Units sold or redeemed.

Luxembourg resident companies benefiting from a special tax regime

Luxembourg resident corporate Unitholders that benefit from a special tax regime, such as (i) undertakings for collective investment subject to the 2010 law, (ii) specialised investment funds subject to the 2007 Law, (iii) family wealth management companies subject to the law of 11 May 2007, as amended, and (iv) reserved alternative investment funds that are treated as special investment funds for Luxembourg tax purposes and subject to the law of 23 July 2016 as amended are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax on income received and gains realised on the sale, disposal or redemption of their Units.

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Taxation of Luxembourg non-resident Unitholders

Unitholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Units are attributable, should generally not be liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Units.

Non-resident Unitholders may be subject to non-resident capital gain taxation in some cases if they hold, indirectly through the Fund, a substantial interest in a Luxembourg company and undertake speculative transactions. However, such domestic taxation on speculative gains is generally overridden by the applicable double tax treaty.

Net Wealth Tax

Luxembourg resident Unitholders and Unitholders who have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Units are attributable, are subject to Luxembourg net wealth tax on such Units, except if the Unitholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the 2010 Law, (iii) a securitization company subject to the amended law of March 22, 2004 on securitization, (iv) a company subject to the amended law of June 15, 2004 on venture capital vehicles, (v) a specialized investment fund subject to the 2007 Law, (vi) a family wealth management company subject to the amended law of May 11, 2007, (vii) a professional pension institution subject to the amended law of July 13, 2005, or (viii) a reserved alternative investment fund subject to the amended law of July 23, 2016.

However, (i) a securitization company subject to the amended law of March 22, 2004 on securitization, (ii) a company subject to the amended law of June 15, 2004 on venture capital vehicles, (iii) a professional pension institution subject to the amended law of July 13, 2005 and (iv) an opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and subject to the amended law of July 23, 2016, remain subject to minimum net wealth tax.

Other Taxes

Under Luxembourg tax law, where an individual Unitholder is a resident of Luxembourg for tax

purposes at the time of his/her death, the Units are included in his/her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Units upon death of an individual Unitholder where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of the Units if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

C. FATCA

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model I Intergovernmental Agreement ("**IGA**"), implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by US Specified Persons, if any, to the Luxembourg taxauthorities (*Administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.
This status includes the obligation of the Fund to regularly obtain and verify information on all of its Unitholders. Upon request of the Fund, each Unitholder shall agree to provide certain information, including, in case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Unitholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of the Unitholder as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Unitholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

Although the Fund and/or the Management Company on behalf of the Fund will attempt to satisfy any obligation imposed on the Fund to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund and/or the Management Company on behalf of the Fund will be able to satisfy these obligations. If the Fund and/or the Management Company on behalf of the Fund, becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Units held by the Unitholders may suffer material losses. A failure for the Fund to obtain such information from each Unitholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any Unitholder that fails to comply with the Fund's and/or the Management Company's documentation requests may be charged with any taxes and/or penalties imposed on the Fund attributable to such Unitholder's failure to provide the information and the Fund, and/ or the Management Company on behalf of the Fund may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Unitholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

D. Exchange of Information – Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS, unless provided otherwise herein.
The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, the Fund will be required to annually report to the Luxembourg tax authorities, personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Unitholders qualifying as Reportable Persons and (ii) Controlling Persons of passive non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.
Additionally, the Fund is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The Fund's and/or the Management Company on behalf of the Fund ability to satisfy the Fund's reporting obligations under the CRS Law will depend on each Unitholder providing the Fund and/or the Management Company on behalf of the Fund with the Information. In this context, the Unitholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

Unitholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

The Unitholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Unitholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Unitholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund and/or the Management Company on behalf of the Fund will attempt to satisfy any obligation imposed on the Fund to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund and/or the Management Company on behalf of the Fund will be able to satisfy these obligations. If the Fund and/or the Management Company on behalf of the Fund becomes subject to a fine or penalty as result of the CRS Law, the value of the Units held by the Unitholders may suffer material losses.

Any Unitholder that fails to comply with the Fund's or the Management Company's documentation requests may be held liable penalties imposed on the Fund or the Management Company on behalf of the Fund as a result of such Unitholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities and the Fund and/or the Management Company on behalf of the Fund may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

XVI. FINANCIAL YEAR, DOCUMENTS AVAILABLE FOR INSPECTION AND AMENDMENTS TO THE MANAGEMENT REGULATIONS AND PLACEMENT MEMORANDUM

1. Financial Year

The Financial Year shall start on 1 October and end on 30 September of the next year. The first Financial Year ended on 30 September 2013.

The Fund's financial reports shall be established in Swiss Francs in accordance with Luxembourg generally accounting principles (Lux GAAP).

Audited annual reports will be mailed electronically or upon request by hard copy free of charge by the Management Company to the Unitholders. In addition, such reports will be available at

the registered office of the Management Company and the Depositary. The first audited annual report was published for the period ending 30 September 2013.

Any other financial information concerning the Fund or the Management Company, including the periodic calculation of the Net Asset Value per Unit, will be made available at the registered office of the Management Company and the Depositary. Any other substantial information concerning the Fund may be published in Luxembourg newspaper(s) and notified to Unitholders in such manner as may be specified from time to time by the Management Company.

2. Documents available for inspection and disclosure for Unitholders

Copies of the Management Regulations, the Placement Memorandum and the latest financial statements of the Fund can be obtained by any Unitholder, free of charge, during business hours on each Business Day at the registered office of the Fund.

Unitholders can further ask to consult the depositary bank agreement, the fund administration services agreement, and the asset management agreement, free of charge, during business hours on each Business Day at the registered office of the Fund. As a rule, Unitholders shall however not be entitled to request the delivery of a copy of these documents, nor consult other contractual or corporate documents pertaining to management of the activities of the Fund.

The Management Company shall periodically through individual reporting, disclose to Investors:

- the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Fund; and
- the current risk profile of the Fund and the risk management systems employed by the Management Company, as AIFM of the Fund, to manage those risks.

In the event leverage is used in the context of the management of the Fund, the Management Company shall disclose, through individual reporting, on a regular basis:

- any changes to the maximum level of leverage which the Management Company may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and
- the total amount of leverage employed by that Fund.

The Fund is an authorised AIF governed by the SIF Law and is subject to supervision by the CSSF. The subscription agreement by which Unitholders may subscribe for Units is governed by Luxembourg law and any disputes arising from the subscription agreement will be brought before the exclusive jurisdiction of the courts of the Grand Duchy of Luxembourg. Unitholders should note that there are no legal instruments in Luxembourg required for the recognition and enforcement of judgements in Luxembourg.

3. Amendments to the Management Regulations and Placement Memorandum

Article 14 of the Management Regulations contains provisions relating to the amendment of the Management Regulations.

If the laws and regulations applicable to the Fund or having an impact on the Fund's operation change (either at Luxembourg level or European level), and such changes require compulsory amendment to the structure of the Fund or its operations, then the Fund shall be authorized to amend any provision of the Management Regulations and/or this Placement Memorandum, subject to the prior approval of the CSSF.

In such case, the Management Regulations and/or the Placement Memorandum will be updated and the Unitholders will be informed thereof, for their information purposes only, without any other involvement in the decision-making process prior to the effectiveness of the above mentioned amendment. For the avoidance of doubt, in this case, the Unitholders will not be offered the right to request the cost-free redemption of their Units prior to the relevant changes becoming effective.

Finally, the Management Company is also authorised to amend any other provision of the Management Regulations and/or the Placement Memorandum, provided that such changes are not material to the structure and/or operations of the Fund and are beneficial or at least not detrimental to the interests of the Unitholders, as determined by the Management Company at its sole but reasonable discretion and subject to the prior approval of the CSSF. In such case, the Management Regulations and/or the Placement Memorandum will be amended and the Unitholders will be informed thereof, for their information purposes only. For the avoidance of doubt, Unitholders will not be offered the right to request the cost-free redemption of their Units prior to such changes becoming effective.

The Management Company is authorised to make other amendments to the provisions of the Management Regulations and/or the Placement Memorandum that are material to the structure and/or operations of the Fund or detrimental to the interests of the Unitholders of the Fund (such as the increase of the fee structure of the Fund), subject to the approval of the CSSF, provided that such changes shall only become effective and the Management Regulations and/or the Placement Memorandum amended accordingly, in compliance with the 2007 Law to the extent the Management Company has obtained a prior approval of such amendments by a decision of the general meeting of Unitholders passed with (a) at least two thirds (2/3) of the votes attached to all Units issued by the Fund and validly cast by those present or represented at the meeting; and (b) a presence quorum requirement of at least fifty percent (50%) of all Units issued by the Fund at the first call and, if not achieved, with no quorum requirement for the second call.

XVII. LIQUIDATION OF THE FUND

The Fund may be liquidated at any time by the Management Company, with the Management Company acting as liquidator. The Fund must be liquidated if the Management Company is wound up for any reason. According to legal requirements, this should be published by the Management Company in the RESA and in at least two newspapers with adequate circulation one of which at least must be a Luxembourg newspaper. Should an event occur causing liquidation of the Fund, the issue of Units in the Fund shall cease.

Liquidation revenue not distributed to Unitholders after conclusion of the liquidation proceedings shall be converted into Euro if required by law and shall be deposited by the Depositary on behalf of entitled Unitholders after conclusion of the liquidation proceedings with the Luxembourg *Caisse des Consignations*. Unless claimed within the statutory time limit, such amounts shall accrue to the *Caisse des Consignations*.

XVIII. TERMINATION, AMALGAMATION AND TRANSFER OF ASSETS FROM CLASSES OF INVESTORS UNITS

In the event that, for any reason whatsoever, the value of the total net assets of the Fund or the value of the net assets of any Class of Investors Units has decreased to, or has not reached, an amount determined by the Management Company to be the minimum level for the Fund, or such Class of Investors Units, to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Management Company may decide to redeem all the Units of the relevant Class or Classes at the Net Asset Value (taking into account actual realisation prices of investments and realisation expenses) calculated with reference to the Valuation Day in respect of which such decision shall be effective. The Fund shall serve a notice to the holders of the relevant Class or Classes of Investors Units prior to the effective date for the compulsory redemption, which will indicate the reasons and the procedure for the redemption operations. Registered holders shall be notified in writing. Where applicable and unless it is otherwise decided in the interests of, or to keep equal treatment between the Unitholders, the Unitholders of the Class of Investors Units concerned may continue to request redemption of their Units free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the date effective for the compulsory redemption.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited with the *caisse de consignation* on behalf of the persons entitled thereto.

Under the same circumstances as provided by the first paragraph of this section, the Management Company may decide to allocate the assets of Fund to those of another Luxembourg undertaking for collective investment organised under the provisions of the 2007 Law, the 2010 Law, or to another sub-fund within such other undertaking for collective investment (the "**new sub-fund**") and to re-designate the Units of the Class or Classes concerned as shares of the new sub-fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Unitholders). Such decision will be published in the same manner as described in the first paragraph of this section one month before its effectiveness (and, in addition, the publication will contain information in relation to the new sub-fund), in order to enable Unitholders to request redemption of their Units, free of charge, during such period. Unitholders who have not requested redemption will be transferred as of right to the new sub-fund.

XIX. CONFLICTS OF INTEREST AND FAIR TREATMENT OF INVESTORS

1. Conflicts of Interests

In the event that the Fund is presented with an investment proposal involving an asset which is or was managed, advised, or owned (in whole or in part) by the Management Company or the Investment Advisor or any of their respective Affiliates, or involving any portfolio company whose shares are held by, or which has borrowed funds from any of the aforementioned persons, (including any managed, advised, or sponsored investment funds), such person will fully disclose the terms of such management or advisory work or any other conflict of interest to the Management Company.
Any conflict of interest shall be resolved in the best interest of the Investors.
The Management Company will notify the Investors of all relevant conflicts of interest if the Management Company deems such disclosure in the best interest of the Investors. Material conflicts of interest having an impact on the Investors will always be communicated without undue delay.
The Management Company or the Investment Advisor or any of their respective Affiliates may from time to time provide other professional services to the Fund. Any such services shall be provided at prevailing market rates for like services under a professional service agreement (which shall include fee ranges) and a project specific contract (specifying the terms of reference and fees applicable in respect of the specific entity for which services are to be provided).
For the avoidance of doubt, no contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the sole fact that any one or more of the Management Company or the Investment Advisor or any of their respective Affiliates is interested in, or is a director, manager, associate, officer or employee of such other company or firm.

2. *Potential conflict of interests will be managed according the Management Company's conflict of interests' policy.* Fair treatment of Investors

The Management Company, or the Asset Manager, as the case may be, may enter into side letters or other written agreements to or with any Investor provided that such arrangements (i) do not breach the content of the legal documentation of the Fund and/or (ii) affect the proper functioning of the Fund and/or compliance of the Fund with its legal and regulatory obligations, and (iii) have the sole effect of establishing rights under, or supplementing the terms of the subscription documentation to the Fund.

If the Management Company, or the Asset Manager, as the case may be, enters into any such side letter or other agreement with respect to the Fund that establishes rights or benefits in favour of Investors that are more favourable in any material respect to such Investors than the rights and benefits established in favour of the Investors whose subscription / commitments are equal or higher than that of the beneficiary(ies) of such side letter(s) or other agreement(s) (or any of them), the Management Company, or the Asset Manager, shall offer to each such other Investors having agreed to subscribe equal or higher amounts than the beneficiary(ies) of the said side-letter(s) or other agreement(s), the opportunity to elect, within thirty (30) calendar days after receipt of such offer, to receive such rights and benefits established by such side letter(s) provisions or other agreement(s) to the extent reasonably applicable to such Investors. In connection with such offer, the Management Company, or the Asset Manager, as the case may be, shall provide a copy of such side letter(s) or other agreement(s) to such interested Investors

whose subscription / commitments are equal or higher than that of the beneficiary(ies) of such side letter(s) or other agreement(s).

XX. DATA PROTECTION

In accordance with the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") and any applicable national data protection laws (including but not limited to the Luxembourg law of 1st August 2018 organizing the National Commission for data protection and the general system on data protection, as amended from time to time) (collectively hereinafter the "**Data Protection Laws**"), the Management Company acting, on behalf of the Fund, as data controller (the "**Data Controller**"), collects stores and processes by electronic or other means the data supplied by Unitholders and/or prospective Unitholders (or if the Unitholders and/or the prospective Unitholders is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the "**Data Subject(s)**") at the time of their subscription for the purposes outlined below.

The data processed includes the Data Subject's first name, last name, residential address and other contact details, date and place of birth, invested amount, banking details, gender, date of birth, place of birth, nationality, passport number, citizenship, identity card with photo, proof of address, bank account data, IBAN and BIC codes, purpose of investment, source of wealth, knowledge and investment experience, profession, income, financial situation, tax identifiers, tax residence, tax status, tax certificates, power of attorney status, joint holders, related parties, beneficial owners, sanctions status, PEP status, previous contact details and addresses, telephone number, mobile number, salutation, contact preferences, base currency preferences, language preferences, interested parties (the "**Personal Data**"). For the avoidance of doubt, Personal Data processed will include personal data of the Unitholders as well as personal data of other individuals (including, but not limited to, directors, managers, agents and other representatives or employees of the Unitholders), which personal data are provided by the Unitholders to the Management Company as the Data Controller in the course of the Unitholders' relationship with the Fund and which the Management Company as Data Controller will deal with in the course of operating the Fund and handling the Unitholders' investments within it. As part of its compliance with legal obligations such as AML/KYC, the Data Controller may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions as well as criminal convictions and offences.

The Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the Data Controller may reject their request for subscription for Units in the Fund if the relevant Personal Data is necessary to such subscription of such Units.

Unitholders and/or prospective Unitholders who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data

Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription in the Fund (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller.

In addition, the Personal Data supplied by Data Subjects are processed for the purpose of (i) maintaining the register of Unitholders; (ii) processing subscriptions, redemptions and conversions of Units and payments of dividends or interests to Unitholders; (iii) complying with applicable anti-money laundering rules and any other legal obligations, such as maintaining controls in respect of late trading and market timing practices, CRS/FATCA obligations or mandatory registrations with registers including among other the Luxembourg register of beneficial owners; (iv) account administration (including among other calculation and processing of fees, provision of financial reports, services and reporting); (v) client relationship management and (vi) commercial prospection. In addition, the Data Subjects acknowledge their rights to oppose to the use of Personal Data for commercial prospection by writing to the Data Controller.

The “legitimate interests” of the Data Controller referred to above are:

a) the processing purposes described in points (v) and (vi) of the above paragraph of this clause;
b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger or acquisition of any part of the Fund’s business;
c) compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority; and
d) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Data Controller’s data recipients (the “**Recipients**”) which, in the context of the above mentioned purposes, refer to the Depositary, the Registrar and Transfer Agent, the Asset Manager, the Administration Agent, the Auditor, the Legal Advisor, other prospective Unitholders as well as any other third party supporting the activities of the Data Controller. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “**Sub-Recipients**”), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities (the "**Authorities**"), in accordance with applicable laws and regulations (e.g. for the purposes of anti-money laundering, sanctions, terrorism financing, the prevention and detection of crime as amended and the CRS and FATCA legislations). In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn, acting as data controller, may disclose the same to foreign tax authorities.

The Recipients may be located either inside or outside the European Economic Area (the “**EEA**”). Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data or does not benefit from an adequacy decision

of the European Commission, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the European Commission approved model clauses. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the Data Subjects acknowledge their right to:

- access their Personal Data;
- correct their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- restrict the use of their Personal Data;
- ask for erasure of their Personal Data;
- ask for Personal Data portability.

The Data Subjects may exercise their above rights by writing to the Data Controller at the following address: 4a, rue Albert Borschette, L-1246 Luxembourg.

The Data Subjects also acknowledge the existence of their right to lodge a complaint with the Commission Nationale pour la Protection des Données (the "**CNPD**") at the following address: 1, Avenue du Rock'n'roll, L-4361 Esch-sur-Alzette, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

XXI. EXCULPATION AND INDEMNIFICATION

The Management Company and each member, manager, partner, shareholder, director, officer, employee, agent or controlling person of the Asset Manager ("**Indemnified Persons**") will be exculpated and entitled to indemnification to the fullest extent permitted by law out of the assets of the Fund against any cost, expense (including attorneys' fees), judgment and/or liability reasonably incurred by or imposed upon such person in connection with any action, suit or proceeding (including any proceeding before any administrative or legislative body or agency) to which such person may be made a party or otherwise involved or with which such person will be threatened by reason of being or having been an Indemnified Person; provided, however, that

any such person will not be so indemnified with respect to any matter as to which such person is determined not to have acted in good faith in the best interests of the Fund or with respect to any manner in which such person acted in a grossly negligent manner or in material breach of the constitutive documents of the Fund or any provisions of relevant service agreement. Notwithstanding the foregoing, advances from funds of the Fund to a person entitled to indemnification hereunder for legal expenses and other costs incurred as a result of a legal action will be made only if the following three conditions are satisfied: (1) the legal action relates to the performance of duties or services by such person on behalf of the Fund; (2) the legal action is initiated by a third party to the Fund; and (3) such person undertakes to repay the advanced funds in cases in which it is finally and conclusively determined that it would not be entitled to indemnification hereunder.

The Management Company shall not indemnify the Indemnified Persons in the event of claim resulting from legal proceedings between the Asset Manager and each member, manager, partner, shareholder, director, officer, employee, agent or controlling person of the same.
