Prospectus for the investment group Real Estate Europe Industry and Logistics (CHF)

Swiss Life Investment Foundation

Contents

In case of doubt, the German version shall take precedence.

1 General information

The “Swiss Life Investment Foundation” is a foundation set up in 2001 in accordance with Art. 80 et seq. of the Swiss Civil Code and Art. 53g et seq. of the Federal Law on Occupational Retirement, Survivors’ and Disability Pensions Plans (BVG) by the former Swiss Life Insurance and Pension Company, now Swiss Life Ltd.

The Swiss Life Investment Foundation, based in Zurich, is subject to supervision by the Occupational Pension Supervisory Commission (OAK BV). The Swiss Life Investment Foundation is designed for tax-exempt occupational benefits institutions domiciled in Switzerland. Its purpose is the collective investment and management of the pension assets entrusted to it by investors.

The Swiss Life Investment Foundation is a member of KGAST (Conference of Managers of Investment Foundations), which obligates its members to meet high quality standards and comprehensive transparency requirements. The highest governing body of the investment foundation, the general meeting of investors, provides all investors with the opportunity to exercise direct influence through their participation rights. The Swiss Life Investment Foundation is comprised of several investment groups that invest in various asset classes, such as equities, bonds, BVG mixes, real estate, alternative investments and infrastructure.

There are six investment groups in the area of real estate:

- Real Estate Funds Switzerland (indirect real estate)
- Real Estate Switzerland (direct real estate)
- Commercial Real Estate Switzerland (direct real estate)
- Real Estate Switzerland Retirement and Healthcare (direct real estate)
- Real Estate Europe Industry and Logistics (EUR) (indirect real estate)
- **Real Estate Europe Industry and Logistics (CHF)** (indirect real estate)

This prospectus is for the investment group Real Estate Europe Industry and Logistics (CHF).

2 Investment concept

2.1 Asset class

The asset class comprises industrial and logistics real estate in accordance with the description in cl. 1 of the investment guidelines (see 2.4 below).

2.2 Investment objectives

The investment objective is to achieve long-term returns in line with the market by purchasing, selling, developing, managing and holding industrial and logistics properties in Europe over the long term (active portfolio management).

2.3 Investment strategy

The investment group Real Estate Europe Industry and Logistics (CHF) primarily invests in European industrial and logistics properties via collective investment schemes (target funds).

Broad diversification in terms of types of use, sectors and tenants will be achieved in the "industry" segment – ideally at the asset level – through targeted investments in multi-use and multi-tenant commercial properties. In the "logistics" segment, investments will be made both in very large logistics facilities (big box logistics facilities) and last-mile properties in economically strong cities and regions in the target countries, with a focus on capacity for alternative uses.

The investment group's foreign currency risks will be hedged to a large extent (at least 80%) with forward contracts of up to 12 months.

2.4 Investment guidelines

1. The investment group's assets will be invested in European industrial and logistics properties via a collective investment scheme (target fund); mixed-use properties (such as industrial and logistics properties with a small share of residential or commercial tenants) are also possible. The following are considered industrial and logistics properties:
   a) Industrial properties, i.e. mixed-use commercial properties that typically have a medium-sized tenant structure. In this case the types of use include, in particular, production, warehouses, offices, research and services;
   b) Logistics properties used to store, pick and distribute goods. They are typically at least 10 000 m^2 and have very few offices. Deviations from the minimum size are possible, especially in the case of city/last mile logistics.
2. The investment group makes investments via the target fund in accordance with points a) and b) above; in doing so, it aims for the following distribution of use types:
   - Industrial properties: 40–60%
   - Logistics properties: 40–60%
3. The investment group invests in European industrial and logistics properties indirectly via the target fund, with an appropriate risk distribution in terms of countries, regions and locations. The investment group aims for the following country distribution:
   - Germany: 10–50%
   - France: 10–50%
   - Benelux: 5–25%
   - UK: 0–30%
   - Switzerland: 0–20%
   - Other: 0–20%
4. The sole purpose of the collective investment scheme (target fund) is the purchase, sale, development, letting or leasing of own industrial and logistics properties (active portfolio management).

5. The share of the foreign collective investment scheme (target fund) cannot make up more than 20% of the investment group's assets, as the target fund has been authorised by a foreign supervisory authority with which FINMA has concluded an agreement in accordance with Art. 120, para. 2e of the Collective Investment Schemes Act of 23 June 2006.
6. The market value of an individual property held by the investment group indirectly via the target fund may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.
7. Building land, construction that has commenced and properties in need of renovation that are held by the investment group indirectly via the target fund may not exceed a total of 30% of the investment group's assets.
8. Mortgaging of the properties that are held by the investment group indirectly via the target fund is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors.
9. In addition to the mortgaging in accordance with para. 8, short-term borrowing that is necessary for technical reasons is permitted at the investment group level.
10. Holding liquidity with a term of up to 12 months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. In addition to sight and time deposits at first-class banks and the post office, money market investments may also be held. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland and the EU, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". The limit of 10% may, as an exception and temporarily, be exceeded in order to settle capital calls and repayments as well as in the case of larger liquidity inflows in connection with currency hedging transactions. If there is excess liquidity at any point, it may be reimbursed to investors in cash on a pro-rata basis.
11. Direct investments in properties at the investment group level are not permitted.
12. Derivatives may only be used to hedge foreign currency risks. The investment group may only use derivative instruments in accordance with the conditions specified in Art. 56a BVV 2 and supervisory practice in this connection. The foreign currency risks are hedged with forward contracts of up to 12 months. Foreign currency forwards, swaps and futures are permitted. Investment group assets that are to be hedged must be hedged at a rate of no less than 80% in total as of the relevant valuation date. The hedge may, as an exception and temporarily, (if the existing liquidity buffer is not sufficient to provide hedging collateral) be less than 80% or, as a last resort, be dispensed with entirely. Investors are informed immediately if the hedge goes below the 80% hedging limit. As soon as the investment group regains sufficient liquidity, the hedging will be increased again.
13. The provisions under 2, 3, 6 and 7 are not binding for a maximum of up to five years following the initial issue.

2.5 Liquidity maintenance

In order to build up a liquidity buffer for the compensation payments that must be made as a result of currency fluctuations (increasing foreign exchange rates) the investment group may take the following measures:

1. The investment group does not call up new capital commitments at 100%, but rather at just 95%. The remaining 5% are kept as open capital commitments and can be called up later on if necessary. This makes it possible to have a liquidity buffer that does not dilute the investment group's performance.
2. The investment group can hold liquidity of up to 10% of the investment group's total volume (see cl. 10 of the investment guidelines above).
3. The investment group can take out short-term loans for technical reasons (see cl. 9 of the investment guidelines above).
4. The investment group's net income is generally reinvested (see Sec. 10 below).
5. The investment group can sell units in the target fund.

The liquidity buffer is held in a way that limits investors' exposure to the amount of the capital commitments. Under no circumstances does an additional payment obligation exist on the part of the investors.

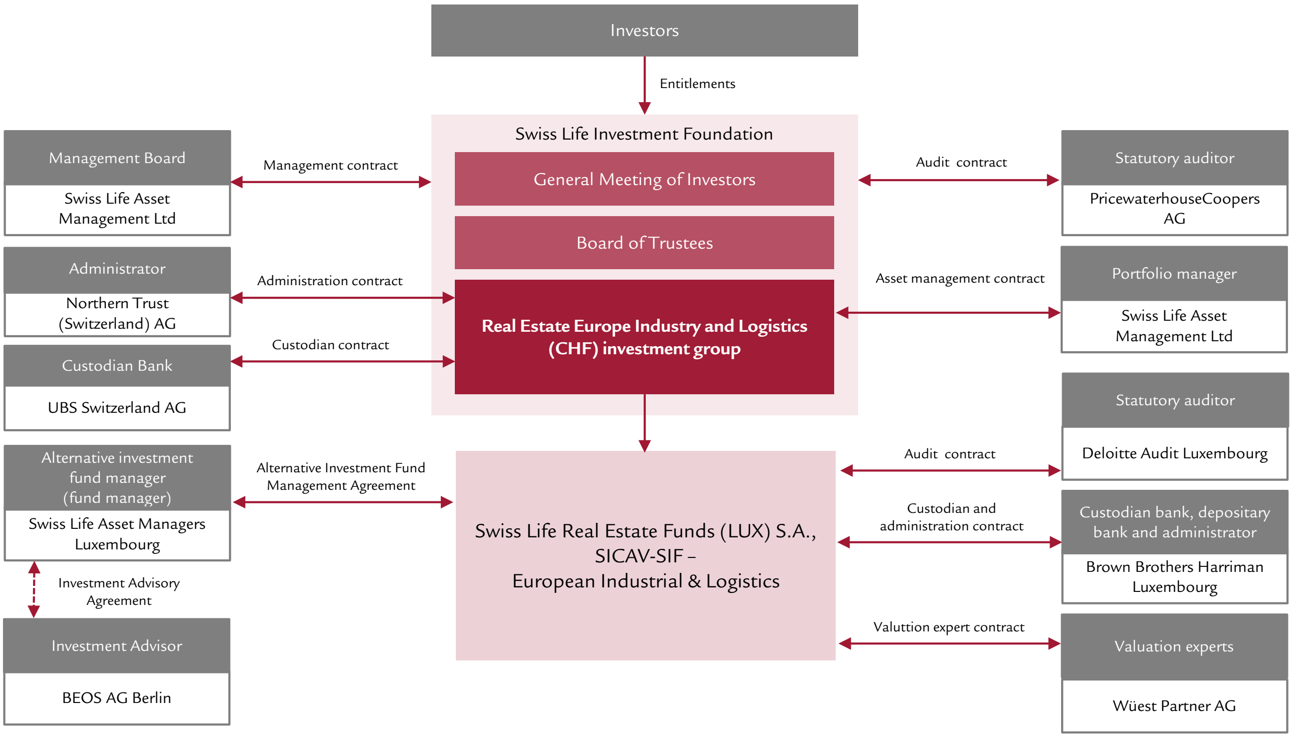
To ensure optimal liquidity maintenance, liquidity planning is carried out at regular intervals, taking account of expected cash inflows and outflows. The following parameters, among others, are used as the basis for the regular liquidity planning:

- The investment group's current liquidity
- Information regarding market values
- Expiry dates and expected cash flows from outstanding forward contracts (for the purpose of currency hedging)
- The amount of all outstanding capital commitments from current and new investors in the investment group
- The amount and date of all upcoming redemptions of claims
- The amount and date of the target fund's distributions and other income and costs

3 Due diligence

The due diligence process includes a thorough qualitative and quantitative analysis of the properties that are to be acquired. In particular, it includes a review of financial, business, legal, tax, technical and environmental aspects. Due diligence reviews are only conducted at the target fund level.

4 Organisation



4.1 Organisation of the investment group

4.1.1 General Meeting of Investors

The highest governing body of the foundation is the General Meeting of Investors, which comprises representatives of all investors. The General Meeting of Investors meets when required by the Foundation Regulations, but at least once per year.

For the duties and powers of the General Meeting of Investors, please see the Articles of Association and the foundation regulations of the Swiss Life Investment Foundation.

4.1.2 Board of Trustees

The Board of Trustees is the highest executive body. It has all the duties which are not expressly within the remit of the General Meeting of Investors, the statutory auditors or the supervisory authority. The Board of Trustees represents the foundation to external parties.

4.1.3 Management Board

The Management Board of the Swiss Life Investment Foundation is responsible for the day-to-day business of the foundation within the framework of the Articles of Association, the foundation regulations, the investment guidelines and any other special regulations, directives and ordinances issued by the Board of Trustees. It also executes performance controlling and coordinates cooperation with the auditor and the supervisory authority.

4.1.4 Portfolio manager

Portfolio management of the investment group, including implementation of foreign currency hedging, has been delegated to Swiss Life Asset Management Ltd. Investments are made via investments in the target fund "Swiss Life Real Estate Funds (LUX) S.A. SICAV-SIF – European Industrial & Logistics" (see Sec. 4.2 below).

4.1.5 Custodian bank

The investment group's custodian bank is UBS Switzerland AG, which is responsible for safekeeping and management of the units of the target fund.

4.1.6 Administrator
The administrator is Northern Trust (Switzerland) Inc. It is responsible for calculating the investment group's net asset value and for its accounting.

4.1.7 Statutory auditor
PricewaterhouseCoopers AG (PwC) Zurich, has been given the mandate to serve as the investment foundation's statutory auditor. The duties of the statutory auditor are defined in Art. 10 of the Ordinance on Investment Foundations (Verordnung über die Anlagestiftungen, or ASV). They include reviewing compliance with the provisions of the Articles of Association, the foundation regulations and the investment guidelines.

4.2 Organisation of the target fund

4.2.1 The target fund
The target fund "Swiss Life Real Estate Funds (LUX) S.A., SICAV-SIF- European Industrial & Logistics" is a sub-fund of the joint stock corporation (société anonyme) "Swiss Life Real Estate Funds (LUX) S.A., SICAV-SIF" (SICAV), an organised investment company with variable capital that has an umbrella structure. The target fund qualifies as a specialised investment fund (fonds d'investissement spécialisé) in accordance with the Luxembourg law of 13 February 2007. The target fund is approved by the Luxembourg supervisory authority CSSF (Commission de Surveillance du Secteur Financier) and is subject to continuous monitoring by it.

4.2.2 The alternative investment fund manager (fund manager)
"Swiss Life Real Estate Funds (LUX) S.A., SICAV-SIF" has appointed Swiss Life Asset Managers Luxembourg as the external manager for alternative investment funds in accordance with Chapter 2 of the Luxembourg Law of 13 July 2013. In its role as the alternative investment fund manager (AIFM) of the SICAV, the AIFM is responsible in particular for managing the assets of the sub-funds (including portfolio and risk management).

4.2.3 Investment advisor
BEOS AG ("Beos") is the investment advisor and is tasked with advising the AIFM in line with the investment objective, the investment policy and the investment opportunities and restrictions of the target fund "Swiss Life Real Estate Funds (LUX) S.A., SICAV-SIF European Industrial & Logistics". The investment advisor submits quarterly reports to the Management Board of the Swiss Life Investment Foundation and provides detailed information about the performance of the individual investments.

Beos is a leading asset manager and developer of corporate real estate in Germany; it has been owned by Swiss Life Asset Managers since 2018. The company, which was founded in 1997, has branches in Berlin (head office), Hamburg, Frankfurt, Cologne, Munich and Stuttgart.

4.2.4 Custodian bank, depositary bank and administrator
Brown Brothers Harrimann (Luxembourg) S.C.A. ("BBH") is used as the custodian bank, depositary bank and administrator. BBH is responsible for all administrative duties, such as calculating the net asset value, accounting and processing subscriptions, payments and redemptions. It also assumes the obligations and duties in respect of the safekeeping of the assets.

4.2.5 Statutory auditor
Deloitte Audit S.à r.l. in Luxembourg has been appointed statutory auditor for the target fund. The statutory auditor of the target fund is responsible in particular for reviewing the target fund's transactions, accounts and annual reports.

4.2.6 Valuation experts
The target fund has appointed Wüest Partner AG as the independent valuation experts. The value of the properties is estimated once annually. The estimated value can be used for the annual accounts, provided no obvious significant changes have taken place since the valuation. Before the acquisition and sale of real estate, a valuation must generally be carried out by the valuation experts.

5 Issuing and redeeming claims

5.1 Issue of claims

Investors are, as a general rule, entitled to acquire as many claims as they wish within the framework set by the foundation regulations and in accordance with their own investment guidelines. However, the minimum subscription amount to acquire claims in the Real Estate Europe Industry and Logistics (CHF) investment group is CHF 100 000.00.

Claims are acquired through the issue of new claims by the foundation as part of capital calls.

As a rule, the Management Board can accept capital commitments at any time and in any amount. The rights and obligations involved in a capital commitment are regulated in this prospectus (see subsequent paragraphs), in the regulations and in a separate contract on capital commitments.

A capital commitment is a binding offer to acquire claims in the Real Estate Europe Industry and Logistics investment group. It contains the irrevocable and unconditional undertaking to pay the capital call (to deposit money equivalent to the called amount) to the investment foundation on first request.

Only 95% of the capital commitments is called, with the other 5% remaining open provisionally in the event the investment group needs additional liquidity for currency hedging (see Sec. 2.5 above), whereby the remaining 5% may be called for the entire duration of an investor's investment in the investment group (investment phase).

If the capital commitments exceed the issue volume, the Swiss Life Investment Foundation Management Board may make reductions.

The Management Board decides on the exact number and timing of the individual capital calls. Capital calls are to be paid within at least ten bank working days. The details of the legal repercussions in the event of late payment are governed by a separate contract regulating capital commitments.

Orders to subscribe to claims must be submitted to the Management Board of the Swiss Life Investment Foundation in writing no later than the date specified in the separate contract regulating capital commitments. Subscriptions received by the Management Board of the Swiss Life Investment Foundation after this date will not automatically be considered for the next opening.

The subscriptions are settled no later than on the 20th bank working date after the relevant issue date.

5.2 Issue price

Claims are issued at the valid net asset value as of the issue date, plus any issuing commission. The equivalent value of the issue price must generally be paid in cash. Contributions in kind in the form of units of the target fund are permitted subject to the prior approval of the Management Board. In accordance with Art. 20 para. 2^{quater} ASV, the net asset value of the target fund may not be used as the basis for other contributions in kind.

5.3 Redemption of claims

Investors may at any time, taking account of the relevant notice periods, request the redemption of some of all of their claims by the foundation. Claims are sold through the redemption of existing claims by the foundation. Free trading in claims is not permitted.

Claims are redeemed semi-annually as of 31 March and 30 September (redemption dates), subject to a seven-month notice period. The redemption notice must be submitted to the Management Board of the Swiss Life Investment Foundation in writing. Redemption notices that are not submitted to the Management Board on time will automatically be submitted for the next redemption date.

The redemption of claims is also subject to the following restrictions:

- Redemptions are limited to 10% of the investment group's invested capital or a maximum of CHF 20 million per half-year, whereby the redemptions of all investors may be reduced proportionately in the event of liquidity shortages. Redemptions that are not executed will be carried over to the next half-year.
- In extraordinary market situations, the redemption of claims can be restricted further (e.g. postponement of redemptions for up to two years). Investors will immediately be informed about this decision in a suitable manner.

In justified cases, claims can be assigned among investors, subject to the prior consent of the Management Board (see also 5.5 below).

The redemptions are settled no later than on the 20th bank working day after the presentation of the net asset value as of 31 March and 30 September.

5.4 Redemption price

The redemption price of each claim is the net asset value on the date of redemption, minus a redemption commission.

If the claims are resold before the relevant value date, there will be no redemption commission.

5.5 Assignment and resale

Free trading in claims is not permitted. The assignment of claims among investors is permitted in individual justified cases and for less liquid investment groups subject to prior approval by the Management Board.

Upon written request of an investor, the Management Board can offer their binding capital commitment in favour of the investment group for acquisition by one or more other former or potential investors (resale).

6 Net asset value

The net assets of the investment group are calculated based on the value of the individual assets, plus any accrued interest, less any liabilities.

The net asset value of a claim is determined by dividing the net assets of the relevant investment group on the date of the calculation by the number of existing claims. The net asset value is calculated quarterly.

7 Fee structure

The following costs and expenses result in a reduction of the returns that can be achieved on the claims by investors.

Costs and expenses incurred on the Real Estate Europe Industry and Logistics (CHF) investment group:

7.1 Management fee

At the investment group level, a management fee of 0.03% (excl. VAT) is charged for foreign currency hedging. At the level of the target fund held by the investment group, the estimated ex-ante fees are around 1.20 to 1.60% of the net asset value per year, incl. any performance fees.

The full costs (TER_{OAK}), including for the underlying target funds and any performance fees, are disclosed annually on a retrospective basis in the foundation's annual report.

7.2 Issue commission

A maximum issue commission of 2.00% in favour of the investment group may be charged.

7.3 Redemption commission

A maximum issue redemption of 5.00% in favour of the investment group may be charged. No redemption commission is charged on claims that are resold by the relevant value date.

8 Risk information

The price at which claims are redeemed depends on, among other things, the future performance of the real estate portfolio held by the target fund. If the performance is unfavourable, investors risk losing some or all of the capital they have invested. Because of its special focus, it is recommended that the investment group be used solely for diversification purposes.

Investments in real estate, particularly industrial and logistics real estate, involve the following risks:

8.1 Liquidity risks

In general, real estate is not very liquid. It is thus more difficult to sell than exchange-listed securities. For this reason, it can take longer to repay claims to the investor group that have been redeemed (see 5.3 above).

8.2 Location risks

Location (region and country) and the development of the location are generally significant when selecting properties. Particularly with investments in foreign real estate, there are other factors in addition to location that significantly impact the valuation of the properties, such as the legal/tax systems and the relevant political conditions (country risk). Several other factors are important as well, such as accessibility, the type of use, construction quality and taxes, the attractiveness of a building and the value of the property.

8.3 Development risks

Delays may be caused by government regulations and problems with the planning and construction of a building. Planning and budgeting entail the risk of cost overruns. The following elements can negatively impact the income from a construction project: Defects, poor construction or construction errors that can cause unexpected and above-average maintenance and refurbishment costs. There may be a loss of income in connection with the letting of new properties. Special-use buildings may require operating permits that may not be issued during the development phase.

8.4 Tenant market risks

Rental income is subject to economic fluctuations and restrictions imposed by tenancy law. Demand for rental space generally depends on the economic situation and demographic developments. Properties tailored to specific users may make a conversion to other uses difficult.

8.5 Force majeure

In connection with force majeure (e.g. earthquakes, flooding, environmental damage, terrorism or pandemics such as COVID-19), there may be considerable economic difficulties that have a significant negative impact, to varying degrees, on the market for the industrial and logistics properties, depending on the use of the relevant property, and the tenant's sector.

8.6 Environmental risks

Properties and projects are reviewed by the target fund for environmental risks when they are acquired or before construction is started. If discernible environmental damage or problems are found, either the expected costs are included in the risk analysis or purchase price calculation, indemnification is agreed with the seller or a decision is taken not to purchase the property. In the case of industrial/logistics properties, in particular, this review is carried against the backdrop of the current and historical use. However, the possibility of subsequently uncovering environmental problems generally cannot be excluded. Such problems can result in significant unforeseen clean-up costs with a corresponding impact on the value of the asset.

8.7 Valuation risks

The valuation of the properties depends on many factors and is subject to a certain degree of subjective assessment of these factors. As a result, the values of the properties determined as of the value date and reviewed by the valuation experts may deviate from the price received from the sale of the property, as the sale price is based on supply and demand at the time of the sale.

8.8 Interest rate risks

Changes in capital market interest rates affect the mortgage and discount rates of independent real estate appraisers. This, in turn, can affect financing costs, the development of rental income and thus the value of the real estate.

8.9 Regulatory risks

The use of industrial/logistics properties is in some cases subject to various local regulatory risks. Changed or new regulations can affect the usability and operation of the properties.

8.10 Operator risks

If the tenant is an operator, the income from and valuation of the properties may depend on the success of the operator. Economic difficulties experienced by the operator may have a negative impact on the investment group.

8.11 Restricted third-party use

Industrial and logistics properties may include buildings that restrict use by third parties.

8.12 Insurance risks

At the target fund level, an attempt is made to conclude the customary liability/property damage/building insurance. However, it cannot be ensured that insurance is available or that the cover for such risks will be sufficient. Insurance against certain risks (e.g. earthquakes, flooding, environmental damage or terrorism) may not be available or may only be available in an amount that is below the full market value or the replacement cost of the portfolio assets, or it may only be available with a high deductible.

8.13 Counterparty risks

The counterparty risk is the risk that counterparties on the market (in the case of financial investments) or tenants (in the case of real estate investments) will not fulfil their contract, resulting in a payment default. A payment default can reduce the value of the properties in the investment group.

8.14 Concentration risks

When acquiring properties there may be corresponding concentration risks, including concentrations in terms of regions, sectors and individual tenants. If there is insufficient portfolio diversification, the performance of the portfolio may be affected by the corresponding sector or geographic business/economic performance.

8.15 Foreign currency risks

The portion of the portfolio that is not hedged against foreign currency risks may result in a negative impact on the investment group's returns.

Forward transactions for the foreign currency hedge require the timely provision of liquidity. Large foreign currency fluctuations can lead to a liquidity shortage. The hedge may, as an exception and temporarily, (if the existing liquidity buffer is not sufficient to provide hedging collateral) be less than 80% or, as a last resort, be dispensed with entirely. This risk is hedged using a multilevel approach (see 2.5 above) that maintains an adequate liquidity buffer.

9 Taxes

Because its income and assets are intended solely for occupational pensions, the investment foundation is exempted from direct federal, cantonal and municipal taxes (Art. 80, cl. 2 of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of 25 June 1982 [BVG] in conjunction with Art. 23, cl. 1d of the Federal Act on the Harmonisation of Direct Taxation at Cantonal and Communal Levels of 14 December 1990 [DTHA]). However, the target fund and the properties held by it are not exempted from taxes.

10 Further information

Investment category
Foreign real estate (Art. 53, cl. 1c BVV 2). The claims are considered to be a collective investment (Art. 56 BVV 2).

Swiss security number
56 847 985

Accounting year
1 October to 30 September

Accounting unit
Swiss francs (CHF)

Distribution policy
The investment group's net income is generally reinvested. The Board of Trustees can decide to distribute net income to investors in proportion to the number of claims they own.

Investor information/publications
The Articles of Association, foundation regulations, investment guidelines, fact sheets, annual and quarterly reports and other key investor information can be found at www.swisslife.ch/anlagestiftung.

The documents for "Swiss Life Real Estate Funds (LUX) S.A., SICAV-SIF – European Industrial & Logistics" can be obtained from the portfolio manager, Swiss Life Asset Management Ltd, General-Guisan-Quai 40, P.O. Box 2831, 8022 Zurich.

Amendments and entry into force
Amendments to the prospectus are requested by the Management Board and approved by the Board of Trustees. The amended prospectus is immediately sent to all investors in the investment group in a suitable manner.

By resolution of the Board of Trustees, this prospectus enters into force on 7 September 2020.

We enable people to lead a self-determined life.

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