



Prospectus for the investment group Real Estate Funds Switzerland

Swiss Life Investment Foundation

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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 (OPSC). 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 member pension funds 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**
(real estate investments with fund-of-funds structure)
- 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)
(real estate investments via target funds)
- Real Estate Europe Industry and Logistics (CHF)
(real estate investments via target funds)

This prospectus is for the investment group Real Estate Funds Switzerland.

2 Investment concept

2.1 Investment strategy

The Real Estate Funds Switzerland investment group invests in real estate collective investments listed on SIX Swiss Exchange via a target fund.

The Real Estate Funds Switzerland investment group invests in a diversified portfolio of investment vehicles and property types (residential properties, office properties, retail spaces etc.) via the target fund. Its aim is to benefit from the relatively low volatility and correlation with the traditional equity and bond markets and from long-term capital appreciation in the Swiss real estate sector.

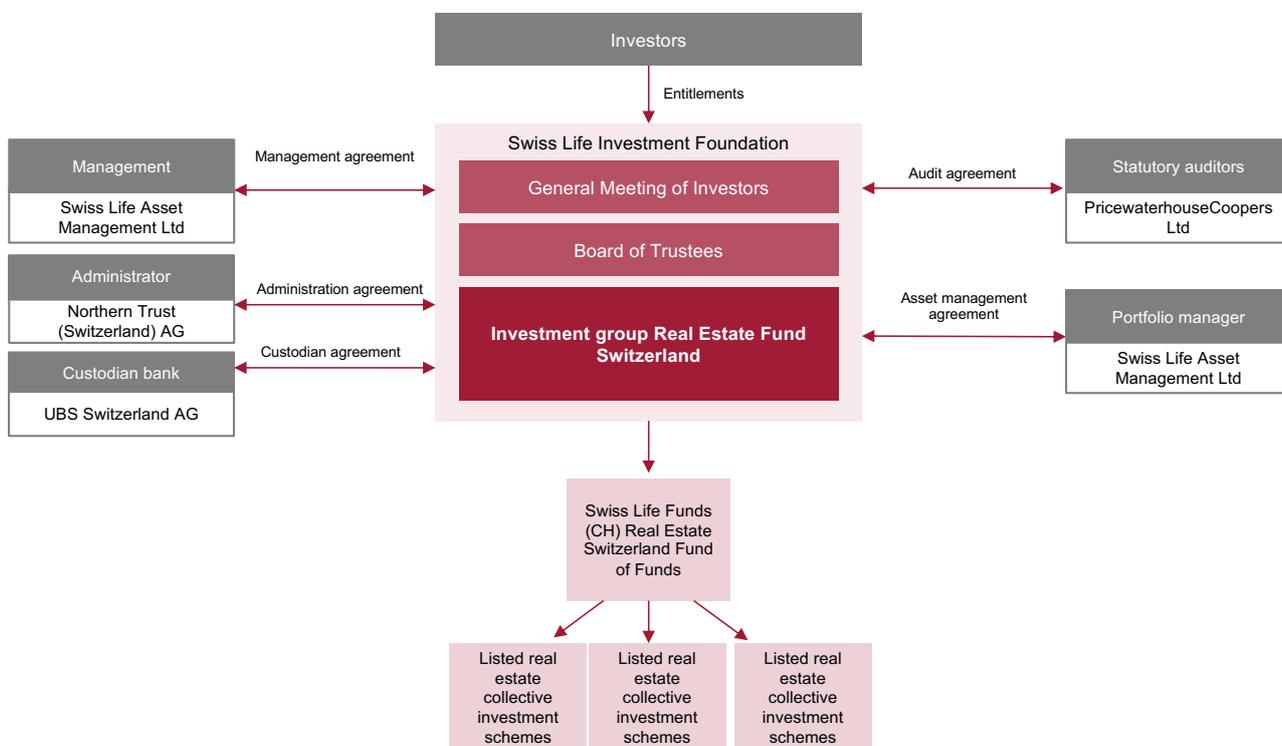
2.2 Investment objectives

The investment objective of the investment group is primarily to achieve a commensurate total return through indirect investments in the Swiss real estate sector.

2.3 Investment guidelines

1. The investment group's assets are invested in real estate collective investments via a target fund, complying with an appropriate distribution of risks. The investment group tracks the benchmark specified in item 2.
2. Benchmark: SXI Swiss Real Estate® Funds TR (consists of the ten largest and most liquid real estate funds on the Swiss stock exchange).
3. Target fund investment style: Close to benchmark
4. Tracking error – calculated using monthly data – is not to exceed 3% p.a. over three years.
5. The real estate collective investments of the target fund must be listed on the SIX Swiss Exchange.
6. The average loan-to-value ratio within the real estate collective investments considered may not exceed one third of the estimated market value of the properties. The value of the collective real estate investments with a loan-to-value ratio in excess of 50% may account for up to 20% of the investment group's assets.
7. An individual limit of 20% applies, with the exception of the collective investment instrument launched by a Swiss investment foundation, or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the part of a foreign collective investment may be more than 20% of the investment group's assets, provided this investment has been approved by a foreign supervisory authority with which FINMA has concluded a cooperation and information exchange agreement (Art. 120, cl. 2e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.
8. Direct investments in real estate at investment group level are not permitted.

3 Organisation



3.1 Organisation of the investment group

3.1.1 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.

3.1.2 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 auditor or the supervisory authority. The Board of Trustees represents the foundation to external parties. The Board of Trustees comprises a minimum of five expert members, who must be natural persons. The members of the Board of Trustees are elected by the General Meeting of Investors. The founding company, its legal successor and persons with economic ties to the founding company, may be represented by no more than a third of the Board of Trustees. The founding company has the right to submit nominations for the election of members of the Board of Trustees. Persons entrusted with the foundation's administration or asset management may not be elected to the Board of Trustees. If the Board of Trustees delegates management to third parties, they may not be represented on the Board of Trustees.

3.1.3 Management body

The management body 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 carries out performance controlling and coordinates cooperation with the statutory auditor and the supervisory authority.

3.1.4 Portfolio manager

The investment group's portfolio management is provided by Swiss Life Asset Management Ltd.

3.1.5 Administrator

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

3.1.6 Statutory auditor

PricewaterhouseCoopers AG (PwC) Zurich, has been appointed as statutory auditor for the investment foundation. 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.

3.1.7 Custodian bank

The investment group's custodian bank is UBS Switzerland AG, which is responsible for safekeeping and administration of the parts of collective investments.

3.2 Organisation of the target funds

The target fund (Swiss Life Funds (CH) Real Estate Switzerland Fund of Funds) is a contractual investment fund under Swiss law of the type «other funds for traditional investments» and approved by FINMA. The prospectus with integrated fund contract, the key investor information and the annual and half-year reports can be obtained from the fund management company, Swiss Life Asset Management Ltd, General-Guisan-Quai 40, 8002 Zurich.

4 Issue and redemption of entitlements

4.1 Issue of entitlements

Investors are, as a general rule, entitled to acquire as many entitlements as they wish within the framework set by the foundation regulations and in accordance with their own investment guidelines.

Entitlements are acquired through the issue of new entitlements by the foundation. Free trading in entitlements is not permitted.

Entitlements are issued daily. The subscription notice is accepted by 2:30 p.m. at the latest on the order day. Subscription notifications received after this time will automatically apply to the next bank working day.

4.2 Issue price

Entitlements are issued at the net asset value calculated on the bank working day following the order day. The equivalent value of the issue price must generally be paid in cash. Contributions in kind in the form of fund units are permitted subject to the prior approval of the management body. In accordance with Art. 20, cl. 2^{quater} ASV, the net asset value of the relevant fund must be set aside. Further contributions in kind are not permitted.

4.3 Redemption of entitlements

Redemptions are generally possible on a daily basis. The redemption notice will be accepted on the order day by 2:30 p.m. at the latest. Redemption notices that are not received by the management body on time will automatically be issued for the next redemption day.

4.4 Redemption price

The redemption price per entitlement corresponds to the net asset value calculated on the bank working day following the order day.

4.5 Cession

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

5 Net asset value

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

The net asset value of an entitlement is determined by dividing the net assets of the relevant investment group by the number of existing entitlements on the date of the calculation. The net asset value is calculated daily.

6 Fee structure

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

Costs and expenses incurred by the Real Estate Funds Switzerland investment group:

Management and administration costs are charged to the investment group's net assets for the management and administration of the foundation and the investment group (management fee). The fees are charged at the investment group level (in accordance with the fee and cost regulations) and/or at the level of the target fund deployed. The total costs (TER) of the investment group comprise:

Standard tranche: 1.17% (indicative)

PM tranche¹: 1.01% (indicative)

The full costs (TER_{OAK}) are disclosed annually on a retrospective basis in the foundation's annual report.

¹ Only open to investors who have concluded a special agreement with Swiss Life Asset Management Ltd.

7 Risk information

The price at which entitlements are redeemed depends on, among other things, the future performance of the investment group's indirectly held real estate portfolio. 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 funds involve the following risks:

7.1 Conflicts of interest

Due to the narrow market for real estate in Switzerland, it cannot be ruled out that the parties involved may also operate in a similar capacity for other investment groups/collective investments, which pursue the same or a similar investment policy as this investment group or are involved in transactions in which this investment group is also involved.

7.2 Lack of liquidity

For real estate collective investments and real estate in Switzerland in particular, there is often no or only a limited liquid market, which may prevent the investment foundation from realising gains on investments in the short term. In certain circumstances, necessary sales of real estate collective investments can only be made below the net asset value. Individual real estate collective investments may also hold hard-to-value and/or illiquid investments.

7.3 Market risk

The investment group is subject to various market risks. The value of an entitlement can therefore be subject to greater upward or downward fluctuations. There is no guarantee that the investment objective will be achieved. An investment in this investment group is therefore only recommended for investors who have a long-term investment horizon.

8 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. 1 let. d of the Federal Law on the Harmonisation of Direct Taxation at Cantonal and Communal Levels of 14 December 1990 (DTHA) and Art. 56 let. e of the Federal Law on Direct Federal Tax of 14 December 1990 (DBG)).

Distributions of income by the investment foundation are made without deduction of Swiss federal withholding tax. The investment foundation is entitled to claim reimbursement of withholding tax incurred by an investment group.

9 Further information

Investment category

Real Estate Switzerland (Art. 53 cl. 1 let. c BVV 2). The entitlements are considered to be a collective investment (Art. 56 BVV 2).

Swiss security number

Standard tranche: 12 468 379

PM tranche²: 12 468 565

Accounting year

1 October to 30 September

Accounting unit

Swiss francs (CHF)

Benchmark

SXI Swiss Real Estate® Funds TR

Distribution policy

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

Investor information/publications

The Articles of Association, foundation regulations, investment guidelines, factsheets, annual and quarterly reports and other key investor information can be found at www.swisslife.ch/investmentfoundation.

The documents for the "Swiss Life Funds (CH) Real Estate Switzerland Fund of Funds" are available free of charge in electronic or printed form from the fund management company, Swiss Life Asset Management Ltd, General-Guisan-Quai 40, 8022 Zurich.

Amendments and entry into force

Amendments to the prospectus are requested by the management body and approved by the Board of Trustees. The amended prospectus is immediately sent to all investors in the investment group in a suitable format.

This prospectus enters into force by resolution of the Board of Trustees as of 31 July 2021.

² Only open to investors who have concluded a special agreement with Swiss Life Asset Management Ltd.



*We enable people to lead
a self-determined life.*

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