

Swiss Life REF (LUX) Commercial Properties Switzerland: Capital increase planned

29 April 2020

The “Swiss Life REF (LUX) Commercial Properties Switzerland” real estate fund is planning a capital increase with a subscription period from 8-19 June 2020. A total of CHF 85 million will be raised to finance the purchase of a high-quality real estate portfolio with five properties.

Both current and new investors¹ may participate in the capital increase. The issue will proceed on a best-effort basis with a maximum issue volume of CHF 85 million. The actual number of newly issued units is defined by the fund management at the end of the subscription period.

Purchase of a high-quality property portfolio

The capital increase and the borrowing of funds are to finance the acquisition of a high-quality new portfolio with five properties at around CHF 100 million. The portfolio is currently owned by Swiss Life Ltd and distinguished by its very high location and property quality and high rental rate. The properties from the new portfolio are in Zurich (two properties, about 45% of the market value), St. Gallen (two properties, about 25%

of the market value) and Montreux (one property, about 30% of the market value). All the properties have a very good micro location. The cumulative revenues exceed 70% from office use with a weighted average lease term of 3.7 years.

At home in good locations

Swiss Life REF (LUX) Commercial Properties Switzerland has invested in first-class commercial properties since its launch in November 2015. Thanks to the very good quality of the properties and locations, the fund has performed well in recent years (annual performance based on net asset value since launch: 4.91%). In addition to several extensive renewals, the focus has mainly been on consistent rental rate improvement (rental rate as at 31 March 2020: 97.1%). The property portfolio comprises 34 high-quality properties with a market value of around CHF 1069 million as at 31 March 2020.

High-quality commercial real estate still attractive

The real estate economy slowdown due to COVID-19 is also affecting the domestic real estate market. However, core properties in good locations with stable cash flows are less exposed to current developments. In particular, high-quality properties will remain in demand in the long term.

Around 56% of the rental income of Swiss Life REF (LUX) Commercial Properties Switzerland is from offices and around 29% from retail tenants. The properties are in excellent locations, which ensure sustainable mid and long-term letting, even accounting for the expected impact.

¹ Professional investors in accordance with Annex II of Directive 2014/65/EU and/or qualified investors in accordance with the Swiss Federal Act on Collective Capital Investments (CISA).

Details of capital increase

Name	Swiss Life REF (LUX) Commercial Properties Switzerland, FCP-SIF
ISIN Swiss security number	LU0820924123 19328638
Legal form	FCP – SIF (Specialised Investment Fund)
Issue volume	About CHF 85 million
Subscription period	Monday, 8 June 2020 to Friday, 19 June 2020, 4:00 p.m.
Allocation of fund units	Key date for the allocation of units and simultaneous dispatch of the notice to pay is Monday, 13 July 2020.
Subscription price	NAV valuation date: Tuesday, 30 June 2020; plus issuing commission (1.0%) and investment fee (1.5%)
Subscription fee (issuing commission, investment fee)	The issuing commission for the new units is 1.0% for the fund management company, custodian bank and/or distributor. An investment fee of 1.5% is charged in favour of the fund assets
Payment under subscription	Payment no later than Monday, 20 July 2020, for value date 20 July 2020. The new shares will be issued on Friday, July 24, 2020.
Distribution entitlement	The new units are eligible for distribution for the fund's full business year (1 October 2019 to 30 September 2020).
Nature of issue	The issue will be on a best-effort basis.
Appropriation of issue proceeds	The issue proceeds will be used to purchase a high-quality portfolio of five commercial properties owned by Swiss Life Ltd.

Information

Media Relations

Telephone +41 43 284 77 77
media.relations@swisslife.ch

Communications, Swiss Life Asset Managers

Tel.: +41 43 284 41 89
SL-AM-Communication@swisslife.ch

www.swisslife-am.com



Swiss Life Asset Managers

Swiss Life Asset Managers has more than 160 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. That's how we lay the groundwork for our clients to make solid, long-term plans – in self-determination and with financial confidence. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg and the UK.

As at 31 December 2019 assets under management for third-party clients amount to CHF 83.0 billion. Together with insurance mandates for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at CHF 254.4 billion.

Swiss Life Asset Managers is the leading real estate manager in Europe¹. Of the assets totaling CHF 254.4 billion, CHF 69.0 billion is invested in real estate. In addition, Swiss Life Asset Managers has real estate under administration of CHF 28.5 billion through its subsidiaries Livit and Corpus Sireo. Total real estate under management and administration at the end of December 2019 thus came to CHF 97.5 billion.

Swiss Life Asset Managers employs more than 2100 people in Europe.

¹ PropertyEU, Top 100 Investors, October 2019

Disclaimer

This document contains advertising. It is intended to be exclusively reserved to Qualified Investors according to the Swiss Collective Investment Schemes Act (CISA). This document was produced with the greatest of care and to the best of our knowledge and belief. However, we provide no guarantee with regard to its content and completeness and do not accept liability for losses which might arise from making use of this information. This document may contain "forward-looking statements" which express our beliefs and expectations at a particular time. Various risks, uncertainties and other factors of influence may cause actual developments and results to differ materially from our expectations. The information contained herein is for information purposes only and should not be construed as a contractual document or investment advice. Before subscribing, investors should obtain and carefully read the detailed information on the relevant fund in the relevant regulatory documents (such as the prospectus, fund contract, and the latest annual / semi-annual reports), which are the sole legal basis for the purchase of fund units. They can be obtained free of charge in printed or electronic format from the representative of foreign collective investment schemes in Switzerland: Swiss Life Asset Management Ltd, General-Guisan-Quai 40, 8002 Zurich or at www.swisslife-am.com. The paying agent is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich. The fund mentioned in this documentation is domiciled in the Grand Duchy of Luxembourg.

All product and company names are trademarks™ or registered® trademarks of their respective holders. Use of them does not imply any affiliation with or endorsement by them.

Returns from and the value of fund units may decrease or increase, and the total loss of the capital invested in the units cannot be excluded. Historical performance is not a sufficient basis for making forecast regarding future performance or price trends. Past performance is no indicator of current or future performance. In no way does this constitute a guarantee of future performance or capital. The performance takes account of all the commissions and costs incurred at fund level (e.g. management fee). The performance does not include the costs incurred at customer level (subscription and redemption costs and commissions, custody fees, etc.). Swiss Life Asset Managers funds may not be offered for sale or be sold in the USA or on behalf of US citizens or US person residing in the USA. "Swiss Life Asset Managers" is the brand name for the Swiss Life Group's asset management activities. More information is available at www.swisslife-am.com. Source: Swiss Life Asset Managers (unless otherwise noted). All rights reserved. Contact: info@swisslife-am.com.