

Swiss Life Funds (LUX)
société anonyme - société d'investissement à capital variable
4a, rue Albert Borschette
L-1246 Luxembourg
RCS number: B69186
(the "Fund")

Notice to the shareholders of the sub-funds

Swiss Life Funds (LUX) Equity ESG Euro Zone
Swiss Life Funds (LUX) Equity ESG Global High Dividend
Swiss Life Funds (LUX) Equity ESG USA
Swiss Life Funds (LUX) Equity ESG Global
Swiss Life Funds (LUX) Equity ESG Global Protect
Swiss Life Funds (LUX) Equity ESG Global Minimum Volatility
Swiss Life Funds (LUX) Income Equity ESG Euro Zone
Swiss Life Funds (LUX) Equity Green Buildings & Infrastructure Impact
Swiss Life Funds (LUX) Equity Climate Impact
Swiss Life Funds (LUX) Equity Environment & Biodiversity Impact
Swiss Life Funds (LUX) Equity Europe High Dividend

Dear shareholders,

We are writing to you in your capacity as shareholders of one of the following sub-funds within the Fund:

- Swiss Life Funds (LUX) Equity ESG Euro Zone
- Swiss Life Funds (LUX) Equity ESG Global High Dividend
- Swiss Life Funds (LUX) Equity ESG USA
- Swiss Life Funds (LUX) Equity ESG Global
- Swiss Life Funds (LUX) Equity ESG Global Protect
- Swiss Life Funds (LUX) Equity ESG Global Minimum Volatility
- Swiss Life Funds (LUX) Income Equity ESG Euro Zone
- Swiss Life Funds (LUX) Equity Green Buildings & Infrastructure Impact
- Swiss Life Funds (LUX) Equity Climate Impact
- Swiss Life Funds (LUX) Equity Environment & Biodiversity Impact
- Swiss Life Funds (LUX) Equity Europe High Dividend

(hereinafter referred to as the "**Concerned Sub-Funds**").

The board of directors of the Fund (the "**Board**") would like to inform you that it has made the decision for protection purposes to make the Concerned Sub-Funds fall within the scope of the swing pricing mechanism as from 16 January 2024.

You can find below the information provided in the prospectus of the Fund explaining of what consists the swing pricing mechanism:

*The purpose of swing pricing is to protect existing investors in a Sub-Fund against the negative effects tied to the purchase or sale of underlying securities as a result of investor activity. In practice, a swing pricing mechanism charges the relevant transaction costs tied to the net subscriptions or net redemptions, respectively on the incoming or outgoing investors. The Net Asset Value per Share will be adjusted by a certain percentage set from time to time for each Sub-Fund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments (the "**Swing Factor**").*

The Net Asset Value is “swung” only when net inflows or net outflows exceed a predefined threshold expressed as a percentage of a Sub-Fund’s Net Asset Value (the “**Swing Threshold**”). The Swing Threshold is calibrated relative to the overall liquidity of the relevant Sub-Fund.

The Swing Factor will have the following effect on subscriptions or redemptions:

- on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e. subscriptions are greater in value than redemptions) in excess of the Swing Threshold, the Net Asset Value per Share will be adjusted upwards by the Swing Factor; and
- on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e. redemptions are greater in value than subscriptions) in excess of the Swing Threshold, the Net Asset Value per Share will be adjusted downwards by the Swing Factor.

Transaction costs associated with subscriptions and redemptions are allocated to either the bid or offer side of the market, depending on which side is greater (i.e. net inflow or net outflows) for any given Sub-Fund. In this manner, the investors that remain in the relevant Sub-Fund do not bear the incoming or outgoing investors’ trading costs which would otherwise affect the Net Asset Value of the Shares held by investors remaining in the relevant Sub-Fund. Because the application of swing pricing is based on the net transaction activity of the relevant day, Shareholders in a Sub-Fund transacting in the opposite direction of such Sub-Fund net transaction activity may benefit at the expense of the other transacting Shareholders in the same Sub-Fund. The Net Asset Value of any Sub-Fund subject to swing pricing, and its short-term performance, may experience greater volatility as a result of this valuation methodology.

The maximum Swing Factor under normal market conditions is 2% except for Sub-Funds investing primarily in high yield fixed income securities, for which the maximum Swing Factor under normal market conditions is 3%. In case of exceptional market conditions (e.g. higher market volatility), and to preserve the best interests of the investors, the Swing Factor may be increased above the indicated maximum applicable under normal market conditions.

The Swing Factor is composed of the following two elements: (i) transaction related effective cash out costs and (ii) bid ask spread. Transaction related effective cash out costs represent monetary cash out costs charged to the relevant Sub-Fund solely caused due to securities transactions in the Sub-Fund. Taxes raised within a transaction are also covered in this subject. Bid ask spread represents the difference between ask and bid quote and accounts for different transaction prices vs valuation principle applied by the Administrator to calculate the Net Asset Value.

The Swing Factor applicable to any Sub-Fund, including the determination under unusual market conditions of a Swing Factor in excess of the maximum applicable under normal market conditions as well as the applicable Swing Threshold will be determined by the Management Company’s Swing Pricing Committee.

The above changes shall take effect on 16 January 2024 (the “Effective Date”). From the date of this letter until 15 January 2024 (included), you may redeem your shares in the Concerned Sub-Funds as usual, without redemption charges. No action is required on your part if you agree with the changes listed above.

The above-mentioned changes constitute the main changes made to the Prospectus. Other minor changes with no material impact have been made to the Prospectus mainly for consistency purposes.

The Prospectus, the articles of association, the key investor information document and the most recent annual and semi-annual reports are available free of charge from the Swiss representative.

Capitalised terms used herein shall have the same meaning as provided in the prospectus of the Fund.

Zurich, 14 December 2023

Representative in Switzerland

Swiss Life Asset Management AG, General-Guisan-Quai 40, 8002 Zurich

Paying Agent in Switzerland

UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich