



SwissLife
Asset Managers

Swiss Life REF (CH) ESG European Properties

Contractual investment fund under
Swiss law of the type “real estate fund”
for qualified investors

Audited annual report as at 31 March 2024

*“The real estate market
is like an ocean:
you have to learn how
to navigate the waves.”*

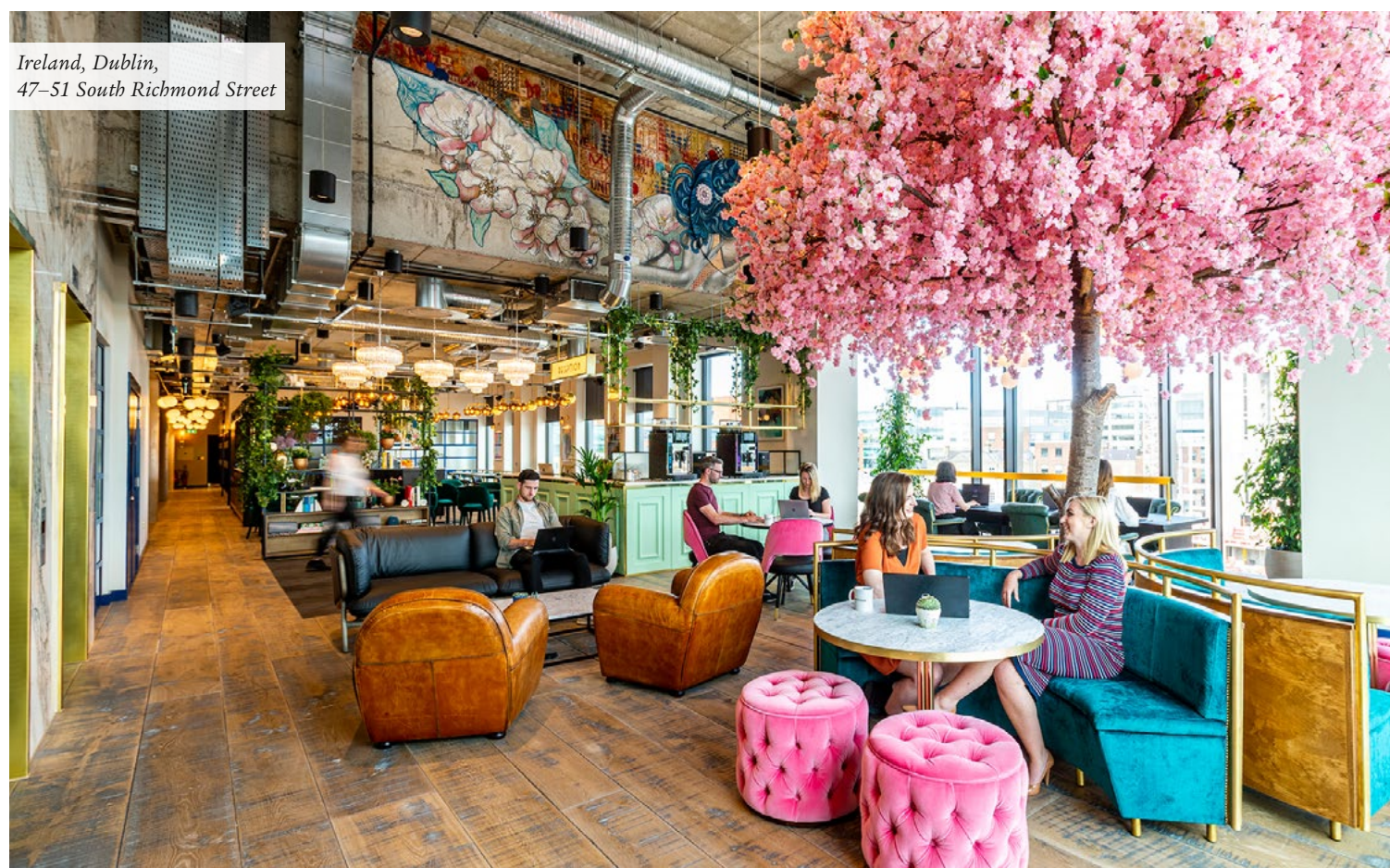
Jeff Davidson

Contents

Highlights	4
Organisation	6
Report on activities by Portfolio Management	10
ESG report	18
Statement of net assets	22
Statement of income	24
Notes	26
Schedule of properties	30
Details of business activities and external financing	34
Valuation Report	37
Information about matters of special economic or legal importance	40
Short form report of the audit company for collective investment schemes on the financial statements of Swiss Life REF (CH) ESG European Properties	41

This report is an English translation of the original German version.

In case of discrepancies in interpretation the German version takes precedence.



Highlights

Key figures		31/03/2024	31/03/2023
Swiss security number		38541554	38541554
Number of units in circulation		5 833 331	5 833 331
Fund units issued		0	388 888
Fund units redeemed		0	0
Net asset value per unit (incl. distribution)	EUR	96.02	106.26
Statement of net assets			
Market value of properties	EUR	807 415 738.00	878 847 600.00
Book value of properties	EUR	891 249 629.00	889 304 765.00
Total fund assets (GAV)	EUR	822 944 703.00	897 024 341.00
Third-party borrowings as % of market value of properties		17.66%	16.14%
Third-party borrowings as % of market value of properties attributable to the unitholders of the fund		14.95%	13.61%
Debt as a percentage of total assets		20.22%	19.21%
Debt as a percentage of total assets attributable to the unitholders of the fund		15.61%	16.92%
Residual term of borrowings	Years	3.24	2.15
Residual term of borrowings attributable to the unitholders of the fund	Years	3.03	2.50
Interest on borrowings		3.68%	1.65%
Interest on borrowings attributable to the unitholders of the fund		3.53%	1.65%
Net fund assets (NAV)	EUR	626 784 000.00	693 205 219.00
Net fund assets (NAV) attributable to the unitholders of the fund	EUR	560 088 944.00	619 823 237.00
Statement of income		01/04/2023–31/03/2024	01/04/2022–31/03/2023
Rental income	EUR	38 544 636	34 229 404.00
Rental loss		7.50%	7.02%
Rental loss attributable to the unitholders of the fund		8.45%	7.60%
Maintenance and repairs	EUR	7 276 153.00	7 037 075.00
Net income	EUR	15 084 317.00	16 291 229.00
Realised capital gains and losses from investments	EUR	0.00	0.00
Unrealised capital gains and losses from investments	EUR	-73 376 726.00	-28 268 029.00
Total net income	EUR	-51 846 388.00	-12 641 714.00

In addition to the fully consolidated figures, key figures that are directly attributable to the unitholders of the fund are also disclosed where relevant.

The minority interests remained unchanged from the previous year.

Return and performance data		01/04/2023–31/03/2024	01/04/2022–31/03/2023
Distribution per unit	EUR	2.20	2.65
Distribution yield		2.29%	2.39%
Payout ratio		90.30%	102.46%
Return on equity (ROE)		-8.36%	-1.96%
Return on equity (ROE) attributable to the unitholders of the fund		-7.34%	-1.47%
Return on invested capital (ROIC)		-6.19%	-1.25%
Return on invested capital (ROIC) attributable to the unitholders of the fund		-5.67%	-1.06%
Return on investment		-7.32%	-1.57%
Performance ¹		2.76%	5.48%
Operating profit (EBIT) margin		60.14%	58.42%
Operating profit (EBIT) margin attributable to unitholders of the fund		55.21%	55.51%
Total expense ratio GAV (TER _{REF} GAV)		0.97%	0.96%
Total expense ratio GAV (TER _{REF} GAV) attributable to the unitholders of the fund		0.91%	0.90%

¹ As of 21 July 2023, FINMA approved the suspension of trading in units of the fund via the OTC marketplace.

The Asset Management Association Switzerland (AMAS) key figures were calculated according to the AMAS "Specialist information factsheet on the key figures of real estate funds" of 13 September 2016, incl. annualisation.

Past performance is no indication of current or future performance.

The performance data do not include commissions and costs incurred when issuing and redeeming fund units.

Figures from previous years

	Net fund assets EUR	Number of units in circulation	Net asset value per unit EUR	Distribution per unit (gross amount) EUR
31/03/2024	560 088 944.00	5 833 331	96.02	2.20
31/03/2023	619 823 237.00	5 833 331	106.26	2.65
31/03/2022	603 301 526.00	5 444 443	110.81	2.85
31/03/2021	492 186 959.00	4 666 666	105.47	2.55
31/03/2020	422 592 638.00	4 000 000	105.65	2.80
31/03/2019	313 108 958.00	3 000 000	104.37	2.00

Organisation

Fund management company	<i>Swiss Life Asset Management Ltd</i> General-Guisan-Quai 40, CH-8002 Zurich
Board of Directors	<p><i>Stefan Mächler, Chairman</i> Group CIO and member of the Corporate Executive Board of the Swiss Life Group, with further directorships within the Swiss Life Group, Chairman of the Board of Directors of Ina Invest Holding Ltd and Ina Invest Ltd</p> <p><i>Lorenzo Kyburz, Member</i> Swiss Life Investment Management Holding Ltd, with a further directorship within the Swiss Life Group</p> <p><i>Dr Rolf Aeberli, Member</i> Head of Corporate Mandates at Swiss Life Ltd, with further directorships within the Swiss Life Group, Chairman of the Board of Directors of First Swiss Mobility 2022-1 Ltd, First Swiss Mobility 2023-1 Ltd, First Swiss Mobility 2023-2 Ltd and RWA Consulting Ltd and member of the Board of Directors of First Swiss Mobility 2020-2 Ltd</p>
Executive Board	<p><i>Robin van Berkel, CEO</i> with directorships within the Swiss Life Group</p> <p><i>Daniel Berner, Deputy CEO</i> Head of Securities</p> <p><i>Paolo Di Stefano, Member of the Executive Committee</i> Head of Real Estate, with directorships within the Swiss Life Group</p> <p><i>Christoph Gisler, Member of the Executive Committee</i> Head of Infrastructure Equity, with directorships within the Swiss Life Group</p> <p><i>Jan Grunow, Member of the Executive Committee</i> Area Head Operations, with a Board of Trustees' mandate within the Swiss Life Group</p> <p><i>Mark Fehlmann, Member of the Executive Committee</i> Area Head of Sales and Marketing</p>
Custodian bank and payment office	<p>Up to 30.06.2024 <i>Credit Suisse (Switzerland) Ltd</i> Paradeplatz 8, CH-8001 Zurich</p> <p>From 01.07.2024¹ <i>UBS Switzerland Ltd</i> Bahnhofstrasse 45, CH-8001 Zurich</p>

¹ More information on the change in custodian bank can be found on page 36 of this annual report under the heading "Significant events after the balance sheet date".

Portfolio Management

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

Adrian Bamert, portfolio manager

Giorgio Engeli, deputy portfolio manager

Delegation of specific tasks

Internal audit

Corporate Internal Audit of the Swiss Life Group

Partial duties in the areas of Legal & Compliance and Risk Management were transferred to Swiss Life Investment Management Holding Ltd.

IT infrastructure services, application development and operations, as well as IT risk management and IT security are assigned to Swiss Life Investment Management Holding Ltd and Swiss Life Ltd.

Supporting activities in asset management

- BEOS Ltd in Germany
- Swiss Life Asset Managers UK Limited
- Swiss Life Asset Managers Deutschland GmbH in Germany and the Netherlands
- Swiss Life Asset Managers France in France, Belgium, Luxembourg and Spain
- Swiss Life Asset Managers Nordics in Finland

Property management and technical maintenance

- BEOS Ltd in Germany
 - BNP Paribas Advisory & Property Management UK Ltd. in the United Kingdom and Ireland
 - BNP Paribas Real Estate Advisory & Property Management Luxembourg SA in Luxembourg
 - BNP Paribas Real Estate Belgium Ltd in Belgium
 - CAPERA Immobilien Service GmbH in Germany
 - CBRE B. V. in the Netherlands
 - IC Immobilien Holding GmbH in Germany
 - MVGM Property Management Spain S.L. in Spain
 - Colliers Finland Oy in Finland
 - Valon Property Management GmbH in Germany
 - Swiss Life Asset Managers France in France
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Accounting and tax advice

KPMG International Cooperative
Baarerstrasse 12, CH-6300 Zug

Valuation experts

Wüest Partner Ltd, Zurich

Fabio Guerra, dipl. Architekt ETH
(degree in architecture from the Swiss Federal Institute of Technology),
Chartered Surveyor MRICS, MSc Real Estate (CUREM)

Pascal Marazzi-de Lima, dipl. Arch. ETH Chartered Surveyor MRICS

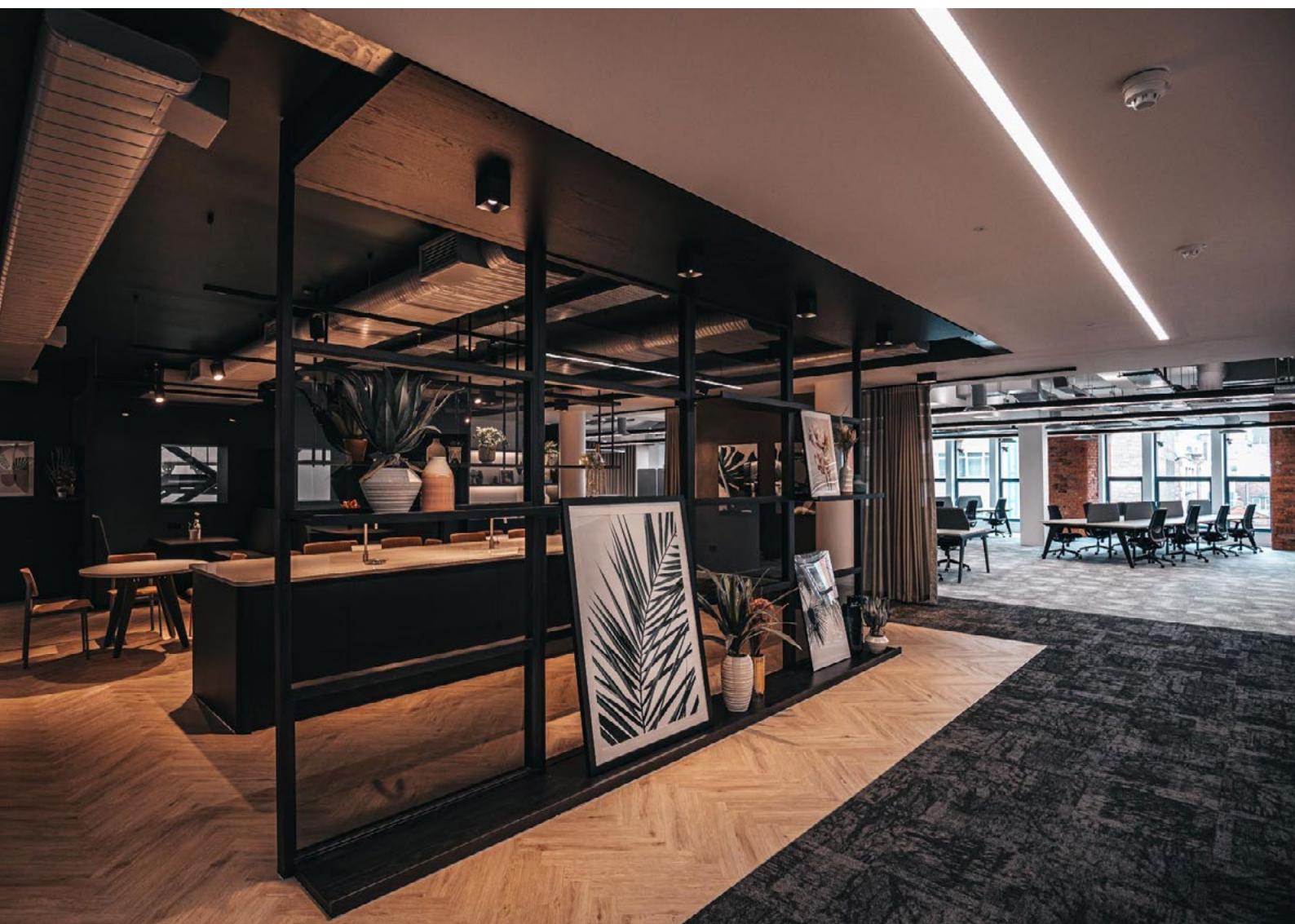
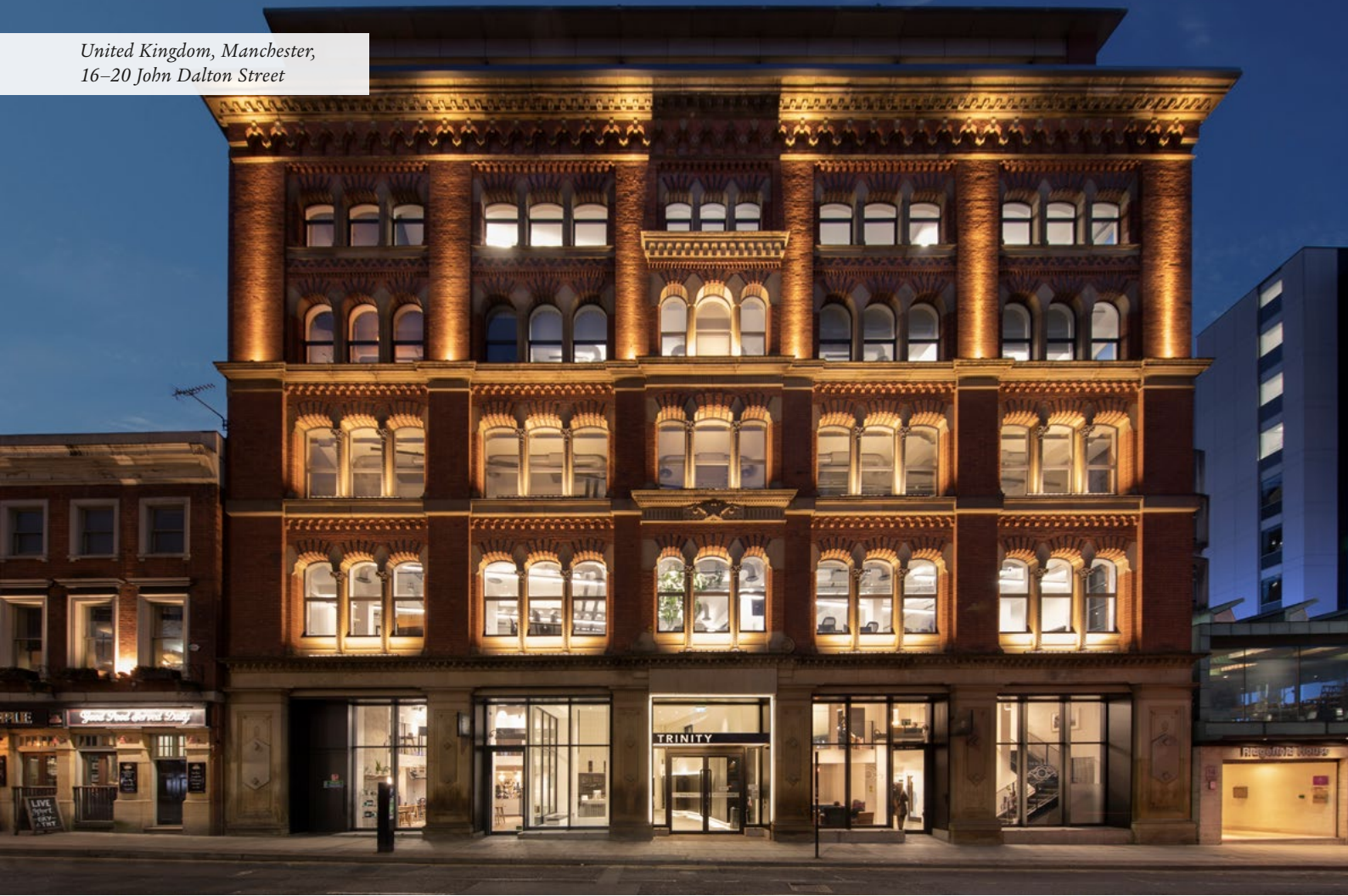
Audit company

PricewaterhouseCoopers Ltd
Birchstrasse 160, CH-8050 Zurich

Regular off-exchange trading

As of 21 July 2023
the fund management company ceased regular off-exchange trading
of the real estate fund units

United Kingdom, Manchester,
16–20 John Dalton Street



Report on activities by Portfolio Management

Performance of the fund

Operating result and distribution

The target rental income in the sixth financial year of the fund running from 1 April 2023 to 31 March 2024 amounted to EUR 42 792 338. Vacancies, rental losses and corresponding provisions accounted for 7.50% of this amount.

The above target rental income included net rent-free periods of 2.43% (EUR 1 038 196), comprising costs of EUR 563 986 attributable to the properties at “Leeds, 6 Queen Street”, “Manchester, 16–20 John Dalton Street” and “The Hague, Parkstraat 83–89”.

EUR 7 738 385 or 18.08% of the target rental income was spent on running the properties (administration, letting, property taxes etc.) as well as maintenance and repairs. After deducting depreciation of tenant fit-out costs of EUR 1 509 777. The property portfolio’s resulting net income amounted to EUR 29 296 474 (68.46% of target rental income).

The fund operating expenses came to EUR 7 141 833 (including the aforementioned expenses for property management by the property managers commissioned). The total expense ratio (TER) in relation to the gross asset value (GAV) therefore amounted to 0.97%. After deduction of the remaining fund expenses, such as taxes on corporate income and capital as well as mortgage interest and other financing expenses, the net income amounted to EUR 15 084 317. The unitholders of the fund were entitled to EUR 12 912 203, after considering the minority interests.

From the operating result, EUR 12 833 328, or EUR 2.20 per unit, will be distributed to investors.

The payout ratio in relation to net income adjusted for provisions for future repairs amounts to 90.30%.

The complete statement of income is disclosed on page 24.

Performance of fund assets

Revaluation losses (unrealised capital losses from investments) were recorded in the past financial year. This affected all the fund’s properties and the highest decreases of the market values (in absolute terms) were recorded for “Helsinki, Konepajankuja 1”, “Berlin, Stresemannstrasse 69”

and “Lyon, Avenue Jean Jaurès 210”. The gross revaluation losses for all the properties in the portfolio amounted to EUR 73 376 726 or –8.98% in relation to acquisition costs.

The market value of all properties as at 31 March 2024 was EUR 807 415 738. The accredited, independent valuation experts valued the real estate portfolio in accordance with the discounted cash flow method at an average discount rate of 4.13% (net, real). The rates of the individual properties varied between 3.10% and 5.30%. At the end of the year, 17.66% of the property values were financed by means of mortgages (borrowing ratio).

The borrowing ratio attributable to the unitholders of the fund was 14.97%.

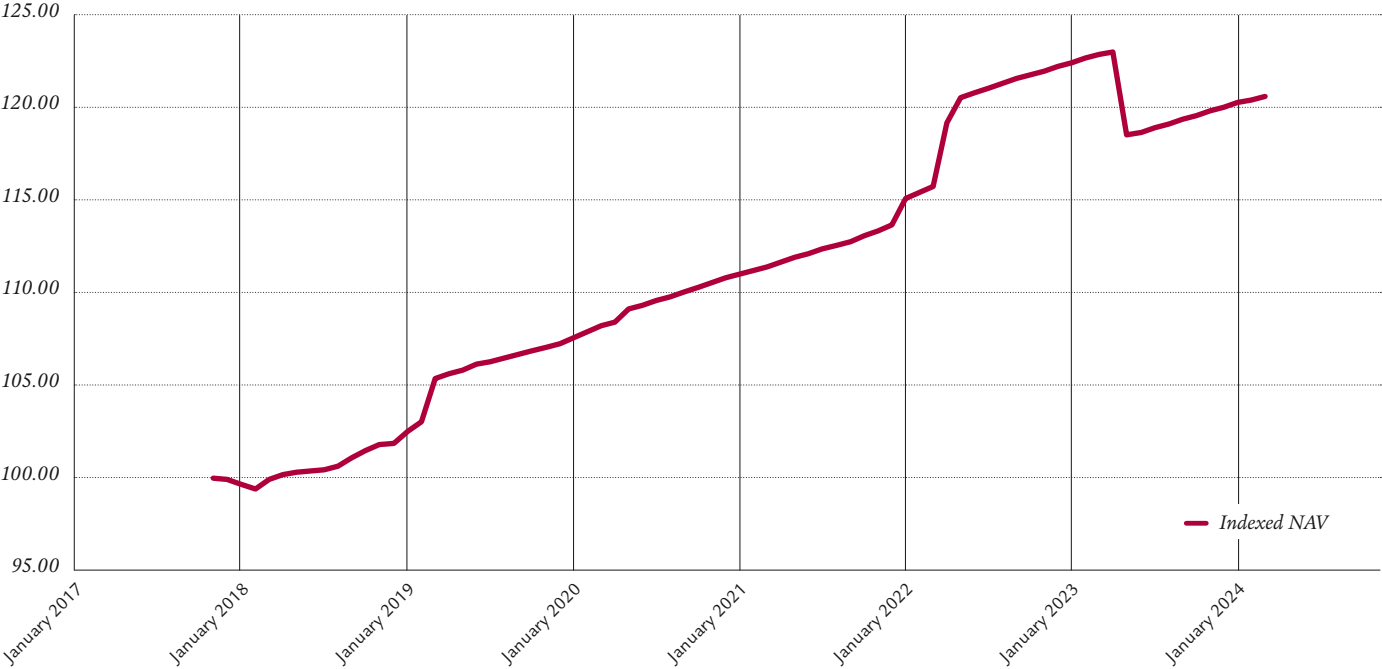
The net fund assets (NAV) decreased in the reporting period based on current revenues from the properties and the revaluation losses.

Investment yield and performance

During the past financial year, the NAV per unit fell to EUR 96.02 as at 31 March 2024. Based on an NAV of EUR 106.26 per unit as at 31 March 2023 and a distribution of EUR 2.65 per unit on 21 July 2023 (payment date), the resulting investment yield was –7.32%.

As of 21 July 2023, FINMA approved the suspension of trading in units of the fund via the OTC marketplace.

Development of NAV per unit during the past financial year is illustrated in the chart on the following page.



Portfolio management activities

Letting

Measured in terms of target rental income, the portfolio reported an occupancy rate of 93.94% over the entire financial year. This is a slight improvement compared to the previous year, in which an occupancy rate of 93.71% was reported. Around two thirds of the vacancy costs can be attributed to the properties “Helsinki, Kaisaniemenkatu 13”, “Helsinki, Konepajankuja 1”, “Manchester, 16 John Dalton Street”, “Ratingen, Ernst-Dietrich-Platz 1, Josef-Schappe-Strasse 21, Kokkolastrasse 4+5” and “Paris, Rue de Cambrai 32”. Following the completion of the property at “Oldenburg, Nordmoslesfehner Strasse 1-9”, it is now fully let.

The property at “Brussels, Avenue Louise 240” was also a rental success. In “Madrid, Calle Eloy Gonzalo 27”, the successful marketing of office and retail space resulted in the property being fully let.

As already explained in the operating result, EUR 1 038 196 (2.43% of target rental income) was due to rent-free periods mainly attributable to the properties “Leeds,

6 Queen Street”, “Manchester, 16 John Dalton Street” and “The Hague, Parkstraat 83-89”.

Investments

During its sixth financial year, the fund renovated a property in France in order to increase its value in terms of sustainability and attractiveness.

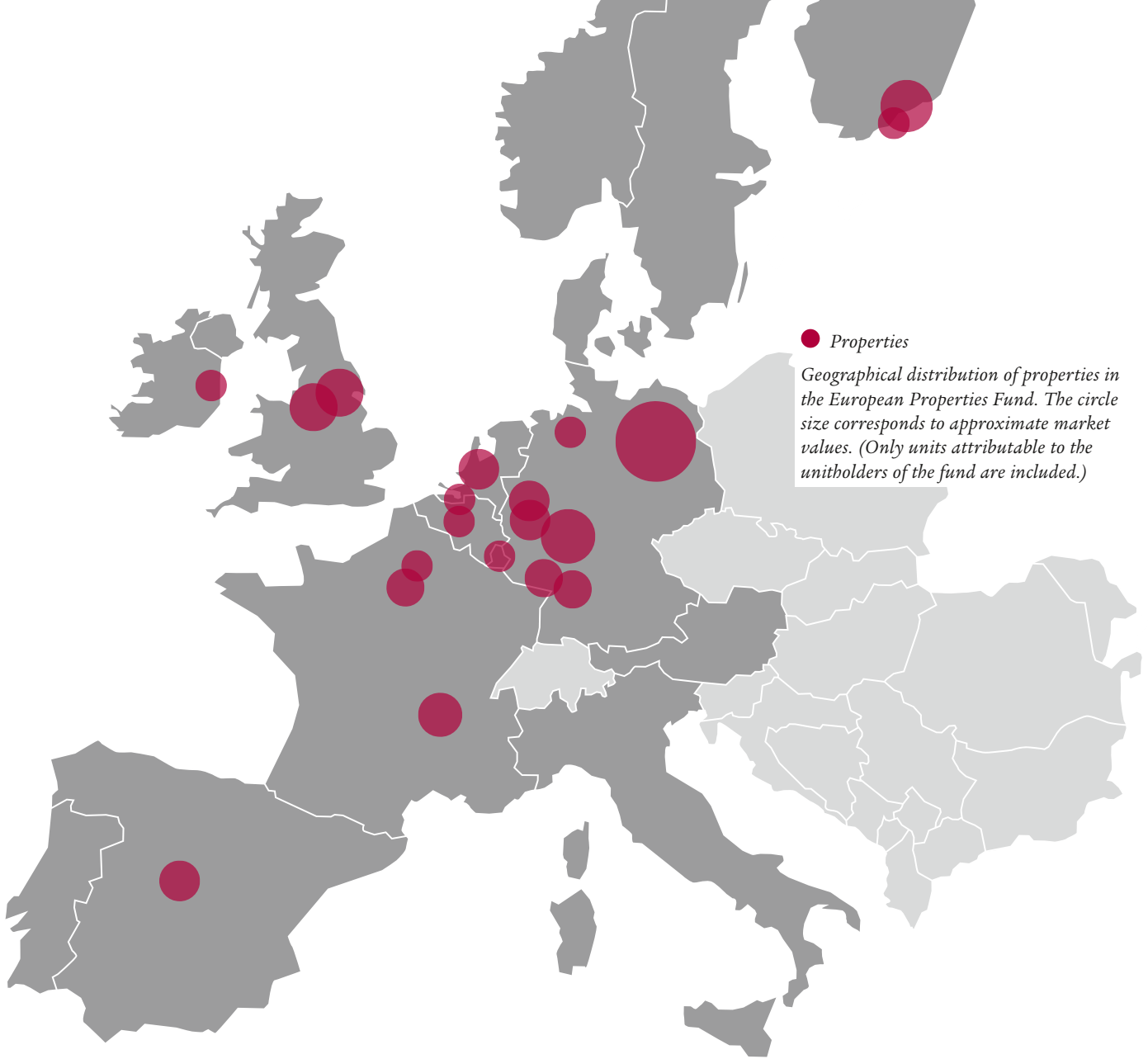
In view of the age structure of individual properties in the portfolio, it is anticipated that the fund will invest in the structural quality of these properties in the next few years. Investments in construction activity focus on achieving sustainable and stable property values. Sustainability considerations (ESG) are taken into account for all investments in existing properties.

Purchases and sales

The fund started its sixth financial year with a portfolio comprising 20 properties. The fund did not buy or sell any properties during the financial year, leaving the portfolio unchanged.

Spain, Madrid,
27 Calle Eloy Gonzalo





Real estate portfolio as at 31 March 2024

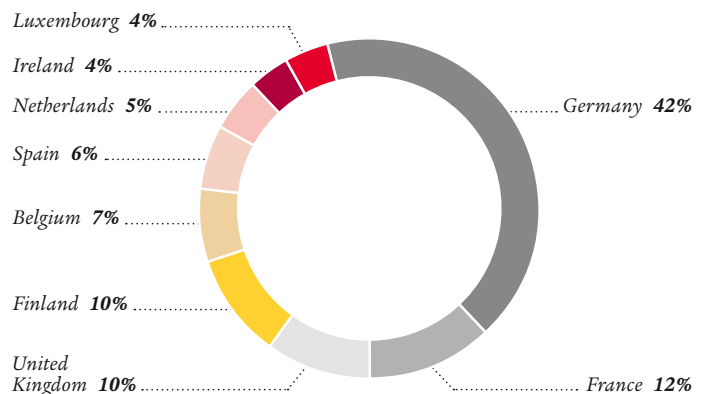
At a glance

The European Properties Fund held a diversified real estate portfolio across Europe comprising a total of 20 properties spread over nine countries. All the properties were purchased with existing regular rental income. The portfolio does not include any construction projects. The market value of all the fund's properties amounted to EUR 807 415 738, of which EUR 666 715 385 is attributable to the unitholders of the fund. The average property value was EUR 40 370 787 (full consolidation) or EUR 33 335 769 (excluding minorities). The office property "Berlin, Stresemannstrasse 69" has the highest market value of EUR 168 340 000, of which EUR 85 853 400 is attributable to the unitholders of the fund, representing around 12.9% of the portfolio (excluding minorities).

Locations

The geographical portfolio strategy of the European Properties Fund is geared towards strong European business locations and property markets. In the medium term, at least half of the fund assets are to be invested in the core

markets France, Germany and the Benelux countries, with additional investments in the British Isles and in northern and southern Europe.

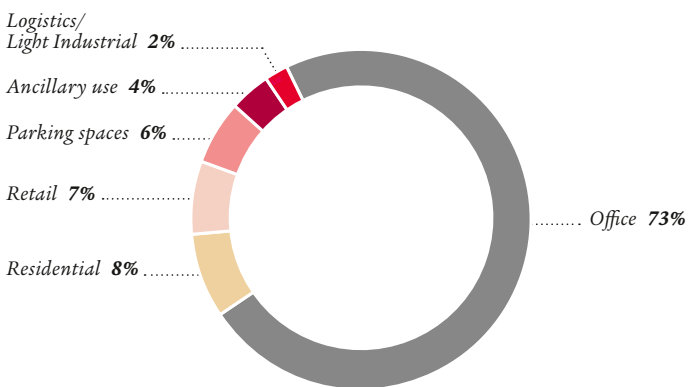


Breakdown by country of market values attributable to the unitholders of the fund as at 31 March 2024

Around 70% of the funds available are thus invested in the core European markets (Germany, France, Benelux), around 14% in the United Kingdom and Ireland, around 10% in Scandinavia and around 6% in Southern Europe (excluding minorities). There are also plans to selectively expand the geographic allocation in the next few years in order to strengthen the fund’s presence in attractive markets. The focus will be on those markets where investments have already been made. In terms of investments in individual countries measured against the market values of the properties, Germany dominates with around 42%, followed by France with 12% and Finland with 10% (excluding minorities).

Types of use

At the end of the business period, the fund’s diversification was dominated by office use. As at 31 March 2024, 73% of quota-consolidated target net rents were generated from office use (see chart). 8% of rents were generated from residential use, a further 7% from retail use, 2% from logistics/light industrial use and 6% from parking spaces. The rest was attributable to ancillary uses.

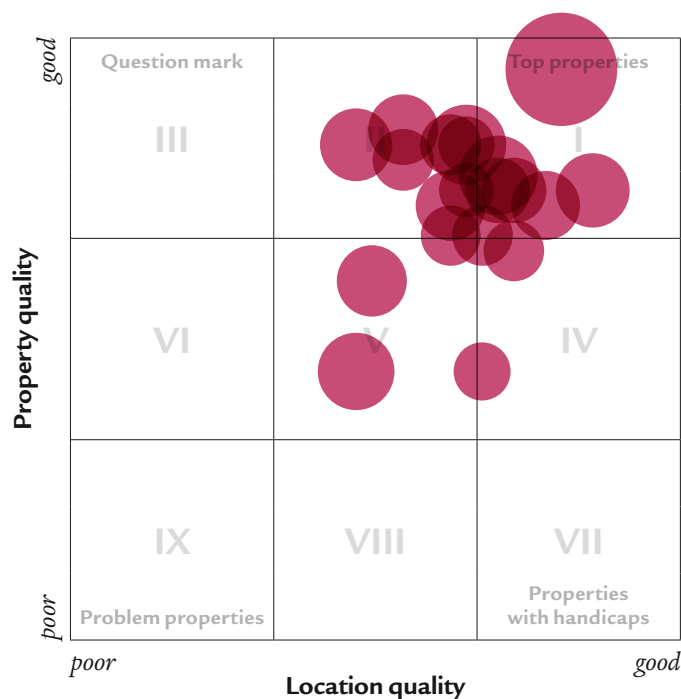


Breakdown of rental income by type of use attributable to the unitholders of the fund as at 31 March 2024

Portfolio matrix: location and property qualities

The location and property qualities of the real estate portfolio are summarised in the portfolio matrix below. The quality co-efficient provided by Wüest Partner Ltd came to 3.8 for the fund portfolio as at 31 March 2024, on a scale of 1 to 5 (1 = very poor, 5 = very good). Across Europe, the portfolio thus boasted good to very good qualities.

The co-efficients for condition, standard and usability, summarised as “property quality”, performed particularly well with an average of 4.0. The co-efficient for micro locations likewise achieved a very good value of 3.9. The figure for macro locations came to 3.1. This seemingly low value is due to the fact that the scale covers the whole of Europe and, as a result, the value for the macro location at a top location in Leeds is always assessed lower than, for example, a top location in London. The average score for “location quality” is a good 3.6.



Portfolio matrix. Data basis: Wüest Partner Ltd. The circle size corresponds to the market values attributable to the unitholders of the fund.

Economic environment and real estate markets

Economic environment

The European economy did not recover from its depressed sentiment in 2023 either. Negative real wage growth due to persistently high inflation has weighed on consumer confidence and private consumption. GDP growth rates in the eurozone reflected the deterioration in business sentiment: while GDP growth was still 0.1% in the second quarter of 2023, the eurozone slipped into a technical recession in the second half of the year, with quarterly growth of -0.1% in both the third and fourth quarters. For 2023 as a whole, economic growth for the eurozone was 0.4% year-on-year. A heterogeneous growth picture emerged within the eurozone. While growth in Southern Europe for 2023 was significantly higher than in the eurozone (2.5% in Spain and 0.9% in Italy), Germany posted negative growth of -0.3%. France was in the middle with GDP growth of 0.7%. The European labour market continued to perform well in 2023. The unemployment rate was 6.5% in December 2023, slightly below the previous year's level of 6.7%. While eurozone headline inflation was still 7% year-on-year in April 2023, it came to 2.9% in December. The annual inflation rate was 5.5% for the eurozone, 6.0% for Germany and 5.7% for France. The slower rise in consumer prices was partly due to the decline in energy and commodity prices. On the other hand, the European Central Bank reacted to the persistently strong inflationary pressure with another series of interest rate hikes. As at 31 March 2024, the deposit rate was 4.00%, compared to 3.00% on 31 March 2023. At the time of publication, forecasts for one-year government bonds at the end of 2024 were 2.0% for Germany, 3.5% in the UK and 2.5% in France. Interest rates are expected to rise again over the medium term, with a yield of 2.3% expected for Germany by the end of 2026, 3.7% in the UK and 2.75% in France.

At the beginning of 2024, sentiment indicators and GDP growth recovered, which, according to an initial estimate by Eurostat, came to 0.3% in the first quarter of 2024 compared to the previous quarter. The recovery was particularly strong in Germany, where quarterly growth increased from -0.5% in Q4 2023 to 0.2% in Q1 2024. Preliminary country data suggests that household spending and domestic final sales in particular were responsible for the improvement in growth. The rate of inflation has also developed favourably since the beginning of the year, but is still above the ECB's 2% inflation target. Headline inflation in the eurozone stood at 2.4% in March 2024 year-on-year.

Real estate markets

Transaction volumes remained at a low level throughout Europe into the new year in 2024, reflecting the reluctance of investors due to the ongoing price adjustments. Across Europe, institutional investors traded real estate worth around EUR 144 billion from Q1 2023 to Q1 2024, almost half as much as during the same period in the previous year and the lowest level since data started to be recorded in 2014. Compared to other countries, the UK consolidated its leading position in Europe, followed by the markets in Germany and France. In terms of sectors, the office sector accounted for more than a quarter of all transactions (around EUR 36.7 bn, -48%) and recorded the largest decline in volume compared to the other sectors, followed by residential investments (around EUR 29.2 bn, -23%). Investments in logistics/manufacturing (around EUR 31.2 bn, +3.4%) performed very well, driven by excellent data from the Nordics. The retail market achieved a transaction volume of EUR 26.5 billion (-18%). Due to the continued interest rate hikes by the central banks to combat inflation, the 2022 price adjustment process continued into 2023 for all types of use. In the office sector, prime yields in Europe (including the UK) increased by around 65 bps to 4.7% in 2023. Risk pricing continued – albeit weakened – in the European retail and logistics markets: Prime locations returned 4.9% in Q4 2023, 35 bps higher than in Q1 2023. The logistics sector was able to increase its prime yields to 5.3% (as at the end of 2023). On the European residential investment markets, yields for good quality assets increased by 50 bps to 4.0% over the year.

The change in interest rates has had an impact on the performance of markets and sectors. For example, the total return of the MSCI Europe Annual Property Index at the end of 2023 was -3.1% (2022: 0.5%), driven by a change in capital value of -6.8% (net cash flow return: 3.9%). A similar picture emerges across the various sectors: offices total returns were -7.2% (net cash flow return: 3.6%), retail ended the year at -0.1% (net cash flow return: 4.9%) and industrial/logistics at 0.6% (net cash flow return: 4.5%).

The European office property market demonstrates investors' caution towards the sector. In the UK, a volume of EUR 9.2 billion was traded from Q2 2023 to Q1 2024 (-59% year-on-year). In France, the transaction volume also fell by 83% (EUR 6.8 billion). In Germany, around EUR 5.4 billion was invested in the German office property market – a

decrease of 45% compared to the same period in the previous year. Prime office yields increased in all countries over the period under review. Office assets in France posted particularly strong gains (+119 bps), while top offices in Germany saw a yield increase of around 87 bps.

In the UK, top offices returned 40 bps higher than in the same period last year. Letting was also slightly more difficult in 2023 than in 2022, with negative revenue figures for offices. Especially in Germany, office revenues were 28% lower than in the previous year. They were also down in France (-18%) and the UK (-7%). However, this is also due to tenants

focusing mainly on high-quality space, of which there is often a shortage. As such, this was also reflected in the development of prime rents: between the end of Q1 2023 and the end of Q1 2024, prime rents in Europe increased by 6%. This figure is the same in Germany, while rents have increased by as much as 8% in the UK and 4% in France.

Ireland, Dublin,
47–51 South Richmond Street



Finland, Helsinki,
Kaisaniemenkatu 13



ESG report




This report summarises the key elements of the ESG management approach and the main ESG performance results for the Swiss Life REF (CH) ESG European Properties.

ESG approach

The ESG management approach for the Swiss Life REF (CH) ESG European Properties real estate fund comprises the integration of a thematically broad and continuously updated list of qualitative ESG criteria at the three value creation stages of investment, development and management (*ESG integration* approach). When making investments, a systematic, uniform ESG assessment for all properties is carried out as an integral part of the due diligence process. Local and international sustainability building standards are applied across the construction and development projects.

Building certifications are used for all new construction projects and as far as possible for comprehensive renovations depending on the level of intervention. ESG aspects are safeguarded in the existing portfolio through corresponding management standards.

Beyond this qualitative ESG integration approach, Swiss Life REF (CH) ESG European Properties pursues specifically measurable objectives and requirements for the *ESG characteristics* identified as particularly significant:

E 	Environment: Reducing the climate impact & managing climate risks	<ul style="list-style-type: none"> • Monitoring and reducing greenhouse gas emissions (climate alignment approach) • Management of physical and transitory climate risks through comprehensive climate risk assessments for properties in the portfolio
S 	Social: Improving health and wellbeing	<ul style="list-style-type: none"> • Systematic recording and analysis of tenant needs through regular tenant satisfaction surveys
G 	Governance: Increasing transparency and stakeholder engagement	<ul style="list-style-type: none"> • Annual participation in external sustainability assessments at fund level (GRESB) • Increase in the share of building certifications at property level to assess the performance of the real estate portfolio from a sustainability perspective

Modelling of CO₂ reduction path

The aim is for Swiss Life REF (CH) ESG Commercial Properties European to comply with a CO₂ reduction path (measured in CO₂e/m²) corresponding to the 1.5 degree target in the Paris Agreement (greenhouse gas reduction target by 2030). Swiss Life Asset Managers has developed a management tool to plan and review this process. This tool compares the fund's carbon intensity and a planned path based on the investment planning with a science-based 1.5 degree target path.

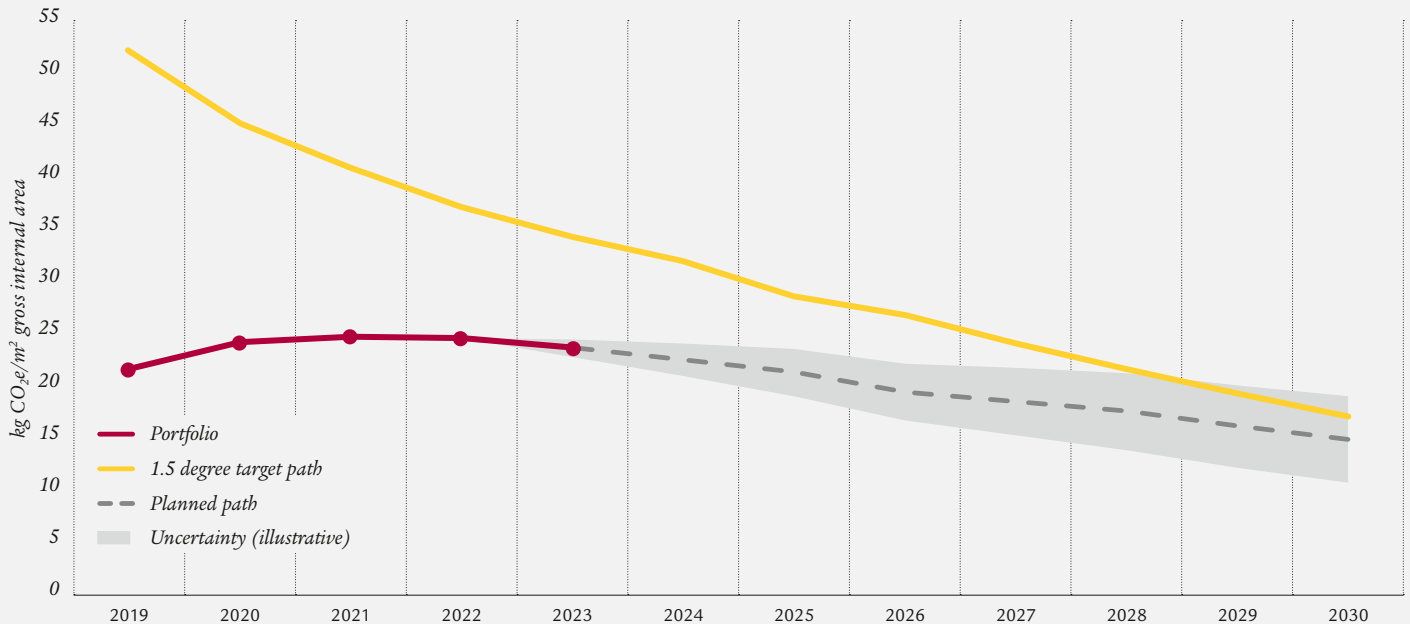
The carbon intensity of the fund (portfolio, red line) refers to operating energy. Emissions from heat and general electricity (scope 1 and scope 2) as well as emissions by tenants (scope 3.13) are taken into account. Only properties that have been held in the portfolio for 12 months are considered when calculating the carbon intensity (excluding transactions and construction projects). Gaps in the data for measured energy consumption are filled with conservative estimates.

The 1.5 degree target path (orange line) is based on the internationally recognised Carbon Risk Real Estate Monitor (CRREM). CRREM breaks down global emission budgets at country level and by property use types; this helps determine portfolio-specific greenhouse gas efficiency targets in line with the latest scientific findings. The 1.5 degree target path depends on the portfolio’s mix of uses and may shift over time. In addition, the 1.5 degree target path can be changed or tightened if the global emissions budget is exceeded.

The planned path (grey line) shows how much CO₂ can be saved by implementing the investment plan. Swiss Life Asset Managers has developed a rule-based model which is used to determine the planned path. The model takes into account both the improvement of energy efficiency through measures related to the building shell, changes to the energy mix due to the replacement of heating systems as well as

effects from the decarbonisation of network-linked energy sources (power and district heating). When interpreting the results, care should be taken to ensure that the planned path is based on a model calculation. The actual savings resulting from the implementation of the planned measures may differ from the projected savings. It may also be the case that measures might not be implemented as planned for technical, legal or economic reasons.

Swiss Life Asset Managers uses the management tool to bring the decarbonisation of the real estate fund in line with the Paris Agreement and so ensure the value of the portfolio is preserved and that it is protected from regulatory requirements.



CO₂ reduction path (scope 1, scope 2, scope 3.13)¹

¹ The calculations of the portfolio’s carbon intensity₂ and the target path are based on the CRREM (available at: <https://www.crrem.eu/>). The CRREM methodology differs from the methodology used to calculate the environment-related key figures in terms of the reference area and GHG scopes taken into account. Data as at: 31.03.2024

ESG focus aspects: measurements and targets

	Target value	31/03/2024
Environment		
<i>Reduction of climate impacts</i>		
Reduction target for greenhouse gas intensity by 2030	CRREM V2.02 1.5 degree target path	see section on CO ₂ reduction path
<i>Management of climate risks</i>		
Share of the real estate assets in the portfolio covered by the climate risk assessment	≥75%	80.3%
Social		
<i>Monitoring of tenant satisfaction</i>		
Proportion of tenants included in the tenant satisfaction survey during the financial year	≥20%	73.7%
Governance		
<i>Participation in external sustainability assessments at fund level</i>		
Membership and participation in GRESB Real Estate Assessment	✓	✓
GRESB Real Estate Assessment 2023 – Rating		☆☆☆
GRESB Real Estate Assessment 2023 – Score		80
<i>Building certifications</i>		
Proportion of properties with building certifications (as a % of gross floor area)	> 40% (by 2026)	40.7%
of which BREEAM/new construction		13.5%
of which BREEAM/in use		21.4%
of which DGNB/new construction		3.8%
of which WELL building standard/new interiors		1.9%

Environment-related key figures (unaudited)²

		01/01/2023–31/12/2023	01/01/2022–31/12/2022
Coverage ratio			
Total area of completed buildings ³	m ² lettable space	103 631	98 180
Relevant area of completed buildings ⁴	m ² lettable space	74 706	93 798
Coverage ratio	% lettable space	72.1%	95.5%
Energy consumption and intensity			
Energy consumption	MWh/a	9 551	13 183
Energy intensity	kWh/m ² lettable space	127.8	122.7
Energy mix (% of energy consumption)			
<i>Fuels</i>		1171 (12.3%)	2062 (15.6%)
Heating oil	MWh/a (%)	0 (0%)	0 (0%)
Heating gas	MWh/a (%)	1171 (12.3%)	2062 (15.6%)
Biomass	MWh/a (%)	0 (0%)	0 (0%)
<i>Heat</i>		6159 (64.5%)	8003 (60.7%)
Local and district heating	MWh/a (%)	5213 (54.6%)	6331 (48.0%)
Environmental heat	MWh/a (%)	945 (9.9%)	1672 (12.7%)
<i>Electricity</i>		2222 (23.3%)	3118 (23.7%)
Electricity for heat/heat pump	MWh/a (%)	378 (4.0%)	669 (5.1%)
Electricity: general	MWh/a (%)	1843 (19.3%)	2449 (18.6%)
<i>Share of fossil fuels</i>	MWh/a (%)	1171 (12.3%)	2062 (15.6%)
Greenhouse gas emissions and intensity⁵			
Greenhouse gas emissions	tCO ₂ e/a	1301	2058
Greenhouse gas intensity	kgCO ₂ e/m ² lettable space	17.4	21.9
Greenhouse gas emissions by GHG scopes			
<i>Scope 1</i>		214 (16.5%)	378 (18.4%)
Heating oil	tCO ₂ e/a (%)	0 (0%)	0 (0%)
Heating gas	tCO ₂ e/a (%)	214 (16.5%)	378 (18.4%)
Biomass	tCO ₂ e/a (%)	0 (0%)	0 (0%)
<i>Scope 2</i>		1084 (83.5%)	1680 (81.6%)
Local and district heating	tCO ₂ e/a (%)	747 (57.4%)	1152 (56.0%)
Electricity for heat/heat pump	tCO ₂ e/a (%)	38 (2.9%)	79 (3.8%)
Electricity: general	tCO ₂ e/a (%)	302 (23.2%)	449 (21.8%)

² The energy consumption data is primarily collected via the ancillary cost statements issued by the property managers and checked for plausibility by Swiss Life Asset Managers. Collecting energy consumption data involves a time lag. Data as at: 31.03.2024

³ The total area of finished buildings corresponds to the lettable space of the owner-controlled portfolio properties excluding transactions.

⁴ The relevant area of finished buildings corresponds to the lettable area of the owner-controlled portfolio properties for which measured energy consumption data is available. For properties that only showed total current, general electricity was estimated using the total current and standardised DGNB factors (source: DGNB). To estimate the environmental heat, the electricity of the heat pump was multiplied by a factor of 3.5 (source: REIDA CO₂ benchmark).

⁵ Greenhouse gas emissions are calculated using emission factors corresponding to the CRREM standard as at 31 December 2023 (CRREM V2.02). The emission factors used are available at: <https://www.crrem.eu/>

Statement of net assets

Statement of net assets	31/03/2024	31/03/2023
	EUR	EUR
Assets		
Cash on hand, postal check and bank sight deposits, including fiduciary deposits with third-party banks	12 956 731.00	16 009 150.00
<i>Real estate</i>		
Residential properties	68 670 000.00	72 390 000.00
Commercially used properties	738 745 738.00	806 457 600.00
Total real estate	807 415 738.00	878 847 600.00
Derivative financial instruments	0.00	0.00
Other assets	2 572 234.00	2 167 591.00
Total fund assets	822 944 703.00	897 024 341.00
Liabilities		
<i>Short-term liabilities</i>		
Other short-term liabilities	15 029 152.00	16 996 131.00
Other short-term liabilities to minorities	0.00	1 764 554.00
Total short-term liabilities	15 029 152.00	18 760 685.00
<i>Long-term liabilities</i>		
Long-term interest-bearing mortgages and other liabilities secured by mortgages	142 601 640.00	141 864 800.00
Long-term interest-bearing loans and loans to minorities	29 764 000.00	29 764 000.00
Total long-term liabilities	172 365 640.00	171 628 800.00
Total liabilities	187 394 792.00	190 389 485.00
Net fund assets before estimated liquidation taxes	635 549 911.00	706 634 856.00
Estimated liquidation taxes	8 765 911.00	13 429 637.00
Net fund assets	626 784 000.00	693 205 219.00
of which attributable to minorities	66 695 056.00	73 381 982.00
of which attributable to the unitholders of the fund	560 088 944.00	619 823 237.00
Units		
	31/03/2024	31/03/2023
Number of units in circulation at beginning of reporting period	5 833 331	5 444 443
Issued	0	388 888
Redeemed	0	0
Number of units in circulation at the end of the reporting period	5 833 331	5 833 331
Net asset value per unit in EUR at the end of the reporting period	96.02	106.26

	01/04/2023–31/03/2024	01/04/2022–31/03/2023
	EUR	EUR
Change in net fund assets		
Net fund assets at the beginning of the reporting period	619 823 237.00	603 301 526.00
Distributions	-15 458 327.00	-15 516 663.00
Balance from unit transactions, excl. equalisation on the issue of units/payment of current income on the redemption of units	0.00	41 735 267.00
Total net income	-45 575 966.00	-9 496 893.00
Balance allocation/withdrawal provisions for future repairs	1 300 000.00	-200 000.00
Net fund assets at the end of the reporting period	560 088 944.00	619 823 237.00
Exchange rates	per 31/03/2024	per 31/03/2023
GBP/EUR	1.1698	1.1360

Statement of income

Statement of income	01/04/2023–31/03/2024	01/04/2022–31/03/2023
	EUR	EUR
Income		
Income from postal and bank accounts	292 446.00	386 100.00
Rental income (gross income received)	38 544 636.00	34 229 404.00
Other income	1 130.00	18 588.00
Current net income paid in on issued units	0.00	653 932.00
Total income	38 838 212.00	35 288 024.00
Expenses		
Mortgage interest and interest from liabilities secured by mortgages	5 787 482.00	2 976 508.00
Interest paid to minority investors	454 514.00	1 001 354.00
Other interest due	197.00	20 388.00
Maintenance and repairs	7 276 153.00	7 037 075.00
Management fees to minority investors	268 628.00	280 772.00
<i>Taxes and charges</i>		
Income and capital taxes	283 939.00	278 936.00
Valuation and auditing expenses ¹	472 534.00	458 476.00
Depreciations on properties (tenant fit-outs)	1 509 777.00	705 600.00
<i>Provisions for future repairs</i>		
Allocation	1 300 000.00	0.00
Withdrawal	0.00	-200 000.00
<i>Remunerations to the following in accordance with the fund regulations</i>		
Fund management company	4 904 408.00	5 009 152.00
Custodian bank	123 626.00	123 955.00
Property management companies	462 232.00	472 744.00
Other expenses	910 405.00	831 835.00
Total expenses	23 753 895.00	18 996 795.00
Net income	15 084 317.00	16 291 229.00
of which attributable to minorities	2 172 114.00	1 003 451.00
of which attributable to the unitholders of the fund	12 912 203.00	15 287 778.00
Realised capital gains and losses from investments	0.00	0.00
Realised capital gains and losses from currencies	-364.00	742.00
Realised net income	15 083 953.00	16 291 971.00
of which attributable to minorities	2 172 114.00	1 003 451.00
of which attributable to the unitholders of the fund	12 911 839.00	15 288 520.00
Unrealised capital gains and losses from investments	-73 376 726.00	-28 268 029.00
Unrealised capital gains and losses from currencies	1 782 658.00	-2 625 458.00
Liquidation taxes	4 663 727.00	1 959 802.00
Total comprehensive income	-51 846 388.00	-12 641 714.00
of which attributable to minorities	-6 270 422.00	-3 144 821.00
of which attributable to the unitholders of the fund	-45 575 966.00	-9 496 893.00

¹ Auditing expenses of statutory auditors: EUR 376 787 (previous year: EUR 363 200)

	01/04/2023–31/03/2024	01/04/2022–31/03/2023
Appropriation of net income	EUR	EUR
Net income for the period attributable to the unitholders of the fund	12 912 203.00	15 287 778.00
Carried forward from previous year	272 704.00	443 253.00
Income available for distribution to the unitholders of the fund	13 184 907.00	15 731 031.00
Income earmarked for distribution to the unitholders of the fund	-12 833 328.00	-15 458 327.00
Balance carried forward to new account	351 579.00	272 704.00
Distribution of income	EUR	EUR
<i>Distribution date 15/07/2024; payment date 17/07/2024</i>		
Projected gross distribution of income to the unitholders of the fund	2.20	2.65
less 35% federal withholding tax	-0.77	-0.93
Net distribution per unit to investors domiciled in Switzerland	1.43	1.72
Net distribution per unit to investors domiciled abroad	2.20	2.65
Average exchange rate	01/04/2023–31/03/2024	01/04/2022–31/03/2023
GBP/EUR	1.1590	1.1585

Notes

Information on asset statement and redeemed units

		31/03/2024	31/03/2023
Balance of depreciation account for land and buildings	EUR	2 751 826.00	1 242 050.00
Balance of provisions account for future repairs	EUR	1 700 000.00	400 000.00
Balance of account for income retained for reinvestment	EUR	0.00	0.00
Number of units scheduled for redemption at the end of the next accounting year		0	0

Information on derivatives

Amount EUR	Interest rate %	Due date	31/03/2024		31/03/2023	
			Replacement value EUR	as % of net fund assets	Replacement value EUR	as % of net fund assets
24 400 000.00	2.35%	2026	0.00	0.00%	0.00	0.00%

Information concerning soft commission agreements

The fund management company has concluded no agreements in respect of commission sharing nor other agreements concerning retrocessions in the form of so-called “soft commissions”.

Principles for the assessment and calculation of net asset value

In accordance with §16 of the fund contract (“Calculation of net asset value and involvement of valuation experts”), the net asset value of the real estate fund is calculated in euros at market value at the end of the accounting year and at each issue of units. In addition, indicative net asset values are calculated at the end of each quarter as a minimum.

The net asset value of a unit is derived from the market value of the fund assets, less any liabilities of the investment fund and any taxes likely to be incurred in the liquidation of the fund assets, divided by the number of units in circulation.

In accordance with Art. 88, cl. 2 CISA, Art. 92 and 93 CISO as well as the AMAS guidelines for real estate funds, the fund’s properties are regularly appraised by independent valuation experts, accredited with the supervisory authority, using a dynamic discounted cash-flow method, or DCF.

The assessment is made at the price that would be likely to be achieved by a considered sale at the time of the appraisal. Upon acquisition or disposal of properties among the fund assets and at the closing of books each year, the market value of properties among the fund assets must be reviewed by the valuation experts.

The market value of individual properties constitutes the price that would likely be achieved in an ordinary business transaction and assuming a considered purchase and sale process. In individual cases, especially upon the purchase and sale of fund properties, any opportunities arising in the interest of the fund are exploited to best possible advantage, which may lead to deviations from the assessments.

For further details on market values, see the *real estate appraiser’s valuation report* on page 37.

Fees and incidental costs

	01/04/2023–31/03/2024		01/04/2022–31/03/2023	
	Maximum	Actual	Maximum	Actual
Fees in favour of the fund management company				
Commission for efforts and costs in connection with the development of plots of land, construction of buildings, renovations and conversions (as % of building costs)	1.20%	0.66%	1.20%	0.67%
Commission for efforts and costs in connection with the construction of buildings, renovations and conversions (as % of building costs)	3.00%	0.00%	3.00%	0.00%
Commission for efforts and costs in connection with the management of individual properties (as % of annual rental income)	5.00%	1.20%	5.00%	1.38%
Commission for efforts and costs in connection with the purchase and sale of properties (as % of the purchase or sale price as long as no third party has been commissioned with this)	2.50%	0.00%	2.50%	1.28%
Issuing commission (as % of the net asset value of the newly issued units)	5.00%	0.00%	5.00%	0.90%
Redemption commission (as % of the net asset value of the redeemed units)	5.00%	0.00%	5.00%	0.00%
Fees in favour of the custodian bank				
Annual commission for the safekeeping of the fund assets, the handling of payment transactions of the real estate fund and the other tasks of the custodian bank as set out in § 4 of the fund contract (as % of the fund's total assets)	0.10%	0.02%	0.10%	0.02%
Commission for the distribution of the annual income to the investors	0.50%	0.00%	0.50%	0.00%

Total amount of contractual payment obligations after the balance sheet date for property purchases, construction orders and investments in properties

None.

Further information can be found under *Highlights, Inventory of properties and Mortgages, fixed advances, loans and credits*.

Luxembourg, Luxembourg,
9 Rue Robert Stümper





Schedule of properties

Country	Address	Type of ownership	Acquisition costs EUR ¹ / (foreign currency)	Market value EUR ¹ / (foreign currency)	Target rental income EUR	Rent-free period EUR
Residential properties						
Germany	Fritz-Remy-Strasse 5-13, 63071 Offenbach	Wholly owned ³	51 910 596	44 820 000	2 692 966	0
Germany	Nordmoslesfehner Strasse 1-9, 26131 Oldenburg	Wholly owned ³	22 500 318	23 850 000	871 345	0
Total residential properties			74 410 914	68 670 000	3 564 311	0
Commercially used properties						
Belgium	Avenue Louise 240, 1050 Brussels	Wholly owned	18 161 122	20 200 000	1 126 987	141 276
Belgium	Berchemstadionstraat 70, 2600 Antwerp	Wholly owned	26 689 804	25 810 000	1 653 752	0
Germany	Stuttgarter Strasse 17, 70469 Stuttgart	Wholly owned ³	31 493 173	32 370 000	1 832 497	0
Germany	Ernst-Dietrich-Platz 1, Josef-Schappe-Strasse 21, Kokkolastrasse 4+5, 40882 Ratingen	Wholly owned ³	33 066 091	27 290 000	2 359 062	87 714
Germany	Kornwestheimer Strasse 49, 70825 Korntal-Münchingen	Wholly owned ³	36 134 657	37 820 000	2 009 071	0
Germany	Stresemannstrasse 69, 10963 Berlin	Wholly owned ⁴	188 920 034	168 340 000	5 896 783	0
Germany	Rabinstrasse 8, 53111 Bonn	Wholly owned ⁴	85 264 291	83 200 000	3 882 507	0
United Kingdom	6 Queen Street, LS1 2TW, Leeds	Wholly owned ¹	43 452 650	36 053 237	2 548 059	200 120
United Kingdom	16-20 John Dalton Street, M2 6HY, Manchester	Wholly owned ¹	41 666 083	33 912 501	2 134 901	175 003
Finland	Kaisaniemenkatu 13, 00100 Helsinki	Wholly owned	29 238 152	25 120 000	1 660 895	20 174
Finland	Fredriksberg, Konepajankuja 1, 00510 Helsinki	Wholly owned	46 644 324	43 900 000	2 547 047	20 736
France	32-36 Rue de Bellevue, 92100 Boulogne-Billancourt	Wholly owned	34 291 191	28 780 000	1 674 613	80 548
France	32 Rue de Cambrai, 75019 Paris	Wholly owned	28 089 860	22 470 000	1 361 330	104 637
France	210 Avenue Jean Jaurès, 69007 Lyon	Wholly owned	39 412 518	32 110 000	1 626 650	0
Ireland	47-51 South Richmond Street, Dublin 2	Wholly owned ²	27 762 304	25 240 000	1 422 627	0
Luxembourg	9 Rue Robert Stümper, 2557 Luxemburg	Wholly owned	26 933 535	25 120 000	1 306 154	0

Rental loss EUR	Rental loss %	Rental income (gross income received) 01/04/2023-31/03/2024 EUR	Apart- ments Number	Residential m ²	Office/ practice m ²	Retail/ shop m ²	Logistics/ light industrial m ²	Other rental space m ²	Total rental space m ²	Parking spaces Number
212 114	7.88%	2 480 852	317	22 094	0	0	0	20	22 114	273
53 414	6.13%	817 931	73	5 729	0	0	0	0	5 729	98
265 528	7.45%	3 298 783	390	27 823	0	0	0	20	27 843	371
112 785	10.01%	872 926	0	0	4 917	763	0	153	5 833	77
0	0.00%	1 653 752	0	0	7 610	494	0	1 888	9 992	206
0	0.00%	1 832 497	0	0	813	11 159	0	1 554	13 526	0
532 267	22.56%	1 739 081	0	0	11 760	0	0	835	12 595	560
0	0.00%	2 009 071	0	0	4 604	0	10 574	8 727	23 905	72
0	0.00%	5 896 783	0	0	11 614	0	0	511	12 125	63
0	0.00%	3 882 507	0	0	11 716	0	0	10 455	22 171	524
155 934	6.12%	2 192 005	0	0	6 501	0	0	63	6 564	47
455 248	21.32%	1 504 650	0	0	5 038	399	13	0	5 450	26
455 111	27.40%	1 185 610	0	0	3 991	399	0	455	4 845	0
428 622	16.83%	2 097 689	0	0	7 819	670	0	523	9 012	53
62 913	3.76%	1 531 152	0	0	4 077	0	0	305	4 382	84
216 489	15.90%	1 040 204	0	0	4 157	0	0	0	4 157	62
7 697	0.47%	1 618 953	0	0	7 130	0	0	0	7 130	136
165 293	11.62%	1 257 334	0	0	1 711	1 222	0	180	3 113	10
0	0.00%	1 306 154	0	0	2 627	0	0	2 091	4 718	77

Country	Address	Type of ownership	Acquisition costs EUR ¹ / (foreign currency)	Market value EUR ¹ / (foreign currency)	Target rental income EUR	Rent-free period EUR
The Netherlands	Parkstraat 83-89, 2514 JG Den Haag	Wholly owned	37 883 606	33 960 000	2 401 881	188 863
Spain	27 Calle Eloy Gonzalo, 28010 Madrid	Wholly owned	41 735 320	37 050 000	1 783 211	19 125
Total commercially used properties			816 838 715	738 745 738	39 228 027	1 038 196

Summary

	Acquisition costs EUR ¹	Market value EUR ¹	Target rental income EUR
Residential properties	74 410 914	68 670 000	3 564 311
thereof in condominiums	0	0	0
thereof with development rights	0	0	0
Commercially used properties	816 838 715	738 745 738	39 228 027
thereof in condominiums	0	0	0
thereof with development rights	0	0	0
Total properties	891 249 629	807 415 738	42 792 338
Cash, postal check and bank sight deposits, including fiduciary deposits with third-party banks		12 956 731	
Derivative financial instruments		0	
Other assets		2 572 234	
Total fund assets		822 944 703	

¹ Converted into EUR with closing rate

² An immaterial part was acquired with building rights

³ 10.5% of the units in the holding company held by closely related parties

⁴ 49.0% of the units held by minority shareholders

Rental loss EUR	Rental loss %	Rental income (gross income received) 01/04/2023–31/03/2024 EUR	Apart- ments Number	Residential m ²	Office/ practice m ²	Retail/ shop m ²	Logistics/ light industrial m ²	Other rental space m ²	Total rental space m ²	Parking spaces Number
197 484	8.22%	2 015 534	0	0	10 626	0	0	226	10 852	348
154 135	8.64%	1 609 951	0	0	4 975	1 320	0	0	6 295	0
2 943 978	7.50%	35 245 853	0	0	111 686	16 426	10 587	27 966	166 665	2 345

Rent-free period EUR	Rental loss EUR	Rental loss %	Rental income (gross income received) 01/04/2023–31/03/2024 EUR	Market value of GAV %
0	265 528	7.45%	3 298 783	8.34%
0	0	0	0	0
0	0	0	0	0
1 038 196	2 943 978	7.50%	35 245 853	89.77%
0	0	0	0	0
0	0	0	0	0
1 038 196	3 209 506	7.50%	38 544 636	98.11%
				1.57%
				0
				0.32%
				100.00%

Valuation category

All properties are valued with the DCF method as of the balance sheet date and correspond to the category “Investments that due to parameters not observable on the market are valued with suitable valuation models taking account of the current market circumstances” as per Art. 84 para. 2 let. c CISO-FINMA.

Details of business activities and external financing

Purchases and sales of properties during the reporting period

	Type of property	Date
Purchases		
None.		
Sales		
None.		

Mortgages, fixed advances, loans and credits

Type of credit	Term	Interest rate	01/04/2023	Borrowing	Repayment	31/03/2024	31/03/2024
	from to	%	in foreign currency	in foreign currency	in foreign currency	in foreign currency	EUR
Short-term liabilities							
<i>Due date within 12 months</i>							
Rollover mortgage ⁶ EUR	02/04/19–31/12/24 ¹	4.23%	13 500 000.00	0.00	0.00	13 500 000.00	13 500 000.00
Total short-term interest-bearing loans and credits							13 500 000.00
Long-term liabilities							
<i>Due date within one to five years</i>							
Fixed-rate mortgage GBP	02/11/18–31/10/25 ²	1.54%	21 800 000.00	0.00	0.00	21 800 000.00	25 501 640.00
Rollover mortgage ⁶ EUR	03/11/20–08/09/28 ³	4.64%	24 400 000.00	0.00	0.00	24 400 000.00	24 400 000.00
Rollover mortgage ⁷ EUR	14/10/21–31/03/24 ⁴	4.60%	79 200 000.00	0.00	79 200 000.00	0.00	0.00
Rollover mortgage ⁷ EUR	29/03/24–27/03/26 ⁵	4.16%	0.00	39 600 000.00	0.00	39 600 000.00	39 600 000.00
<i>Due date over five years</i>							
Rollover mortgage ⁷ EUR	29/03/24–28/09/29 ⁵	3.79%	0.00	39 600 000.00	0.00	39 600 000.00	39 600 000.00
Total long-term liabilities							129 101 640.00
Total mortgages, fixed advances, loans and credits							142 601 640.00

¹ For Stuttgart: the interest rate was 3.66% in Q1, 4.20% in Q2, 4.56% in Q3 and 4.50% in Q4; in preparation for extension

² For Leeds: the fixed interest rate for the entire period was 1.54%

³ For Offenbach: the interest rate was 4.36% in Q1, 4.82% in Q2, 5.05% in Q3 and 4.68% in Q4.

To limit the interest rate risk, an interest cap of 3.45% fixed for three years was concluded as of 18 November 2022.

⁴ For Berlin: the interest rate was 3.95% in Q1, 4.57% in Q2, 4.94% in Q3 and 4.89% in Q4

⁵ For Berlin: the rollover mortgage was replaced by two tranches with different terms. Interest rates range from 3.79% to 4.16%.

⁶ Mortgage of a property 10.5% owned by minority shareholders.

⁷ Mortgage of a property 49.0% owned by minority shareholders.

Rental income per tenant exceeding 5%

Tenant	Property location	31/03/2024 %	31/03/2023 %
Calculation based on the entire real estate portfolio (full consolidation)			
Zukunft - Umwelt - Gesellschaft (ZUG) gGmbH	Berlin	14.92%	13.58%
Rheinische Friedrich-Wilhelms-Universität	Bonn	9.07%	8.76%
PPG Wörwag Coatings GmbH & Co. KG	Korntal-Münchingen	4.97%	4.68%
Calculated on the basis of the units attributable to the unitholders of the fund			
Zukunft - Umwelt - Gesellschaft (ZUG) gGmbH	Berlin	8.89%	8.53%
Rheinische Friedrich-Wilhelms-Universität	Bonn	5.40%	5.50%
PPG Wörwag Coatings GmbH & Co. KG	Korntal-Münchingen	5.20%	5.16%

Transactions with closely related persons

The fund did not conclude any transactions with closely related persons pursuant to Art. 32a CISO.

Transactions between collective investment schemes

The fund did not conclude any transactions between collective investment schemes in the reporting year that are managed by the same or affiliated fund management companies or SICAVs.

Real estate companies of the funds

- Swiss Life REF EP Switzerland Holding Ltd, Zurich, Switzerland
- REF EP Finland 1 Oy, Helsinki, Finland
- REF EP Finland 2 Oy, Helsinki, Finland

The two Finnish national companies, the holding company in Zurich and its national companies are all wholly owned by Swiss Life REF (CH) ESG European Properties.

Significant events after the balance sheet date

As of 1 July 2024, UBS Switzerland Ltd, Zurich acquired Credit Suisse (Switzerland) Ltd, Zurich. In light of this, UBS Switzerland Ltd, Zurich has assumed the function of custodian bank for the real estate fund.

Restrictions on sale in the USA

Units in this investment fund may not be offered, sold or delivered to US persons. US person means: (i) a US citizen (including dual or multiple citizenship); (ii) a US resident (a resident alien who holds a Green Card or satisfies the substantial presence test); (iii) a partnership or corporation established in the United States or governed by the laws of the United States or any State thereof; (iv) an estate of a testator who is a citizen or resident of the United States; (v) a trust if (x) a court within the United States can issue orders or pronounce judgements under applicable law concerning aspects of trust management and (y) one or more US persons have the authority to control substantial decisions of the trust; (vi) a person subject to US tax law for any other reason (including but not limited to dual residency, spouse

filing jointly, relinquishing US citizenship or long-term permanent residency in the USA). This paragraph and terms used herein shall be construed in accordance with the US Internal Revenue Code.

Valuation Report

Assignment and Outcome

Pursuant to the Swiss Collective Investments Schemes Act (CISA), the fair market values of real estate owned by Swiss property funds must be determined by independent appraisers for financial accounting purposes. According to your commission, we appraised the properties owned by the Swiss Life REF (CH) ESG European Properties investment fund as of 31st March 2024. The portfolio included 20 properties as of the reporting date. The overview below shows the corresponding results:

Collective Investment Schemes Ordinance (CISO 86)	No. of properties	Fair Value as of 31/03/2024 EUR	Target Income as of 31/03/2024 EUR	Gross yield %
Residential buildings	2	61 459 650	3 196 343	5.20%
Commercial-use properties	18	605 255 738	34 331 898	5.67%
Mixed-used buildings	0	0	0	0%
Investment properties Total (proportionate consolidation)	20	666 715 388	37 528 241	5.63%
Investment properties Total (100%)	20	807 415 738	43 412 603	5.38%

As at 31st March 2024, the market value attributable to the shareholders of the Fund for the portfolio of 20 properties (including new acquisitions) is estimated at EUR 666 715 388. The market value at 100% is EUR 807 415 738.

The records that were relevant for the valuations were prepared by the fund management and the competent administrative companies. The valuations are based on the appraisal and analysis of these records, on the one hand, and on periodic tours of the premises as well as assessments of the general and specific market situation of each property, on the other hand.

Valuation Method and Valuation Standard

All of the properties were uniformly appraised using the discounted cash flow method (DCF).

A detailed analysis and assessment of each income and cost item was also undertaken within the framework of the valuation. The valuers based their appraisals on accounting figures of recent years for each property, the current tenancy situation, and comprehensive market intelligence. These served as a basis for estimating the future cash flows to be expected, and for establishing the discount rate. Underlying

the valuations is the assumption that the current occupancy of the properties will continue, which means inversely that the assessments ignore the possibility of material changes such as conversion to another type of use, the addition of new floors, or densification of the property.

The market value quoted for each property is to be understood as “fair value”, i. e. the selling price likely to be achieved under normal circumstances in the current market environment without the potential transaction costs.

Wüest Partner affirms that the valuations comply with the legal provisions of the CISA and CISO as well as the guidelines of the Swiss Funds & Asset Management Association (AMAS), and that they meet common industry valuation standards.

Independence and Confidentiality

We confirm that we have valued the properties of Swiss Life REF (CH) European Properties in line with our business policies, free of influence from third parties, and solely bound by the commission stated above.

Wüest Partner Ltd
Zurich, 8th April 2024



Pascal Marazzi-de Lima
MRICS, Dipl. Arch. ETH,
Partner



Fabio Guerra
MRICS, Dipl. Arch. ETH,
CUREM, Partner

Further Details Elaborating the DCF Valuation

Value growth

Trends in the value of real estate are determined by various fundamental parameters. A distinction has to be made between property-specific factors (property management) and exogenous factors related to the real estate and finance market environments:

- Changes in the property management situation on both the income and the cost side directly trigger an adjustment in the reported market value. Key determinants here are new and expiring leases, changes in the vacancy situation, as well as movements in running and maintenance costs.
- Since they represent cash outflows, extraordinary investments made during the valuation period under review have a direct impact on property values. On the other hand, where investments create added value and can be passed on to tenants, they result in higher rental income.
- Developments in the relevant local real estate market have an impact on the calculation of potential rental values.
- Changes in the capital or transaction markets have an influence on discount rates.
- Property aging is another key factor. All other factors remaining constant, aging alone would cause a decrease of approx. 1% in the value of the building in the space of one year.¹

Rental income

Valuations are based on effective rental income as reported in the rent roll as at the valuation date. The agreed lease terms are taken into consideration when factoring rental income into the valuations.

In the case of fixed-term leases, after expiry of the agreed rental period, the potential long-term rental income seen as attainable from the current perspective is taken. Fair market potential rental values are based on recent lease signings either for the property concerned or known comparable properties in the immediate vicinity as well as on comprehensive real estate market research carried out by Wüest Partner.

The plausibility of potential rental values for retail outlets is verified using calculations based on realistic turnover figures. The potential rental value of existing leases for mixed-use properties is determined on the basis of the individual facility types taken separately.

Genuine options to renew enjoyed by tenants will be factored in if the actual rent is below the ascertained market rent. Non-genuine options with a proviso that rents be adjusted in line with the then prevailing market rent will be assessed as fixed-term leases as outlined above.

With leases of unlimited duration (common for residential use), rental legislation and property-specific tenant turnover are taken into consideration when adjusting in line with the potential market values ascertained.

Vacant rental properties are taken into account in the valuation with a reasonable marketing period. For all facility types the underlying vacancy rates are estimated according to location and market conditions.

Running and maintenance costs

The running and maintenance costs factored into the valuations are based primarily on empirical values from the property accounts for prior years as well as on the budgets approved by the fund management company's decision-making bodies. These figures are plausibility-tested using existing contractual agreements relating to property management activities and compared with benchmarks from Wüest Partner's database pool. Anticipated future running and on-going maintenance costs are modelled on the basis of these analyses.

¹ The effective age-related depreciation depends in particular on the construction type, age and location of the specific property.

Repair costs

Short, medium and long-term repair costs are a major factor in DCF valuations. The valuations essentially reflect the investment plans made available by the fund management company's decision-making bodies. The figures are plausibility-tested using specific cost benchmarks.

In order to determine the long-term repair costs, Wüest Partner relies on a building costs tool to calculate the long-term investments needed to preserve the value of the properties, factoring in the age of selected characteristic building components and their production costs as well as the current structural condition.

Significant value-enhancing investments such as potentially higher-value conversions of rental units, the exploitation of existing development reserves, and actual project developments are generally not factored in.

Discounting

The applied discount rate reflects the risk estimate of the respective property or the cash-flow plan of the property. When determining this value, Wüest Partner takes property-specific characteristics as well as location and market-based influences into account.

The determination of the market-conform, risk-adjusted discount rates is based on a risk-premium model, which is constantly adjusted to current market conditions using observed arm's-length transactions. In principle, the model adds the sum of the risk-free interest rate and the immobility-premium (illiquidity of the good, basic market-risk) premiums for specific property risks (e.g. location, usage, letting situation, condition, reservations of ownership).

Adjustment for inflation

Inflation is implicitly built into valuations via movements in cash flow. When calculating rental income, the contractually agreed inflation adjustment or indexation rate (e.g. 80% adjustment for changes in the consumer price index) is applied at the level of the individual tenancies. Full inflation is generally calculated into running and maintenance costs. The discount rate selected is expressed in real terms. An individual long-term inflation assumption is entered for each country.

Information about matters of special economic or legal importance

Amendment to the fund contract as of 14 June 2023

Federal Act on Collective Capital Investment Schemes (CISA) of 23 June 2006, Art. 27, cl. 2 CISA

Swiss Life REF (CH) European Properties

Contractual investment fund under Swiss law of the type “real estate fund” for qualified investors

Swiss Life Asset Management Ltd, Zurich, as the fund management company, and Credit Suisse (Switzerland) Ltd, Zurich, as the custodian bank, intend to make the following amendments to the abovementioned investment fund in accordance with Art. 27 of the Federal Act on Collective Capital Investment Schemes of 23 June 2006 (CISA).

The amendments mainly affect the conversion of the investment fund to an NAV-based product. Off-exchange trading of fund units will be suspended subject to approval by the Swiss Financial Market Supervisory Authority (FINMA).

Investors in the abovementioned investment fund are hereby informed of the following changes to the fund contract:

§ 1 Name of the fund; name and registered office of the fund management company and custodian bank

§ 1, cl. 5 of the fund contract is to be supplemented by a new let. f). Pursuant to Art. 10, cl. 5 CISA and by way of deviation from Art. 67 CISA, the fund management company is to be released from the obligation to ensure regular on- or off-exchange trading of the real estate fund units. The new let. f) of § 1, cl. 5 of the fund contract reads as follows: “f) the obligation to ensure regular on- or off-exchange trading of real estate fund units.”

§ 17 Issue and redemption of units, trading and contributions in kind

§ 17, cl. 2, second paragraph now has a new cl. 3 and has been amended to the effect that the fund management company is no longer obliged to ensure regular on- or off-exchange trading of the real estate fund units. The new cl. 3 now reads as follows: “3. The fund management company does not ensure regular on- or off-exchange trading of the real estate fund units.”

In accordance with Art. 41, cl. 1 and cl. 2^{bis} in conjunction with Art. 35a, cl. 1 of the Ordinance on Collective Investment Schemes (CISO), investors are informed that the auditing and ascertainment of legal compliance by the Swiss Financial Market Supervisory Authority (FINMA) only applies to the amendments in § 1 of the fund contract and not those in § 17 of the fund contract.

This publication text will be published on the Swiss Fund Data electronic platform (www.swissfunddata.ch) on 14 June 2023.

Investors who wish to object to the proposed changes must do so within 30 days of publication by contacting the supervisory authority (Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, 3003 Bern) (Art. 27, cl. 3 CISA).

Current investors also have the right to demand the redemption of their units subject to observing the contractual period of notice.

The wording of the changes to the fund contract, the prospectus with integrated fund contract and the annual reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

Zurich, 14 June 2023

Fund management company

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

Custodian bank

Credit Suisse (Switzerland) Ltd,
Paradeplatz 8, 8001 Zurich



Short form report by the statutory auditor of the collective investment scheme

for the attention of the Board of Directors of the fund management company Swiss Life Asset Management AG, Zürich

Short form report on the audit of the financial statements

Opinion

We have audited the financial statements of the Swiss Life REF (CH) ESG European Properties investment fund – which comprise the statement of net assets as at 31 March 2024, the statement of income for the year then ended, information regarding the appropriation of net income and the disclosure of costs as well as additional information pursuant to art. 89 para. 1 let. b–h and art. 90 of the Swiss Collective Investment Schemes Act (CISA).

In our opinion, the enclosed financial statements (pages 4 to 8, 22 to 36 and 40) are compliant with the Swiss Collective Investment Schemes Act, the relevant ordinances as well as the fund contract and the prospectus.

Basis for opinion

We conducted our audit of financial statements in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Responsibility of the auditor of the collective investment scheme for the auditing of the financial statements” section of our report. We are independent of the investment fund as well as of the fund management company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the fund management company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors of the fund management company for the financial statements

The Board of Directors of the fund management company is responsible for preparing the financial statements in accordance with the Swiss Collective Investment Schemes Act, the corresponding ordinances as well as the fund contract and the

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prospectus, and for such internal control as the Board of Directors of the fund management company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor of the collective investment scheme for the auditing of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors of the fund management company and/or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers AG



Andreas Scheibli
Licensed audit expert
Lead auditor



Simon Bandi
Licensed audit expert

Zürich, 12 July 2024

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

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