Swiss Prime Site Solutions
REAL ESTATE ASSET MANAGERS

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

Investment fund under Swiss law of the type
real estate fund for qualified investors

4th ISSUE

Issue prospectus

Subscription period:	from 10 March to 21 March 2025, 12:00 noon (CET)	
Subscription ratio:	Each existing unit will be assigned one (1) subscription right. Three (3) subscription rights entitle the holder to subscribe to one (1) new unit in exchange for payment of the issue price in cash.	
Issue price:	**CHF 102.95** net per new unit	
Payment date:	28 March 2025	
Fund management company:	Swiss Prime Site Solutions AG, Zug	
Custodian bank:	Banque Cantonale Vaudoise, Lausanne	
Clearing:	SIX SIS, Olten	
Securities number/ISIN:	Units:	113909906 / CH1139099068
	Subscription rights:	142 315 322 / CH1423153225

Fund management company:

Custodian bank:

This prospectus does not constitute a personal recommendation to buy or sell this security. This security may not be sold in any jurisdiction where such a sale might be unlawful. Certain securities are not suitable for all investors due to the associated risks.

1. CONTENT

2. IMPORTANT INFORMATION

2.1 Contents of the issue prospectus

Neither the publication of this issue prospectus nor any transactions based on this publication signify that no changes have occurred with respect to Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial, a real estate fund under Swiss law for qualified investors (hereinafter «SPSS IF Commercial»), since this issue prospectus was published or that the information contained in this document is complete and correct at any time after this issue prospectus was printed.

The forward-looking statements in this issue prospectus contain predictions, estimates and forecasts based on information available to the fund management company when this issue prospectus was published. The forward-looking statements reflect the fund management's current views and forecasts. They are not statements on the past and offer no guarantee as to the future financial position, business activity, performance or future results of SPSS IF Commercial. Various factors, risks and uncertainties may materially affect the expectations shown in these forward-looking statements, in particular:

1. interest rate volatility;
2. changes in economic conditions;
3. amendments to laws and regulatory frameworks;
4. volatility in financial markets inside Switzerland and abroad;
5. volatility in commodities prices;
6. various events such as epidemics, war and terrorist attacks that significantly affect consumer behaviour; and
7. changes affecting general political, economic, business, financial, monetary and stock market conditions.

Expressions such as «think», «expect», «anticipate», «intend», «plan», «predict», «estimate», «propose», «may» and «would under certain circumstances» and any derivatives of these are intended to identify these types of forward-looking statements in this prospectus. However, these expressions alone will not necessarily be used to make forward-looking statements.

Neither the fund management company nor the custodian bank is required to update the forward-looking statements contained in this issue prospectus, even if they prove to be outdated and inaccurate as a result of new information and events or other circumstances. All subsequent written or oral statements about the future attributable to SPSS IF Commercial must be considered as a whole and in light of the aforementioned factors.

The fund management company has not authorised anyone to disseminate information or to make statements that differ from this issue prospectus. Nevertheless, should such information or statements be disseminated, it should be regarded as unauthorised.

For all detailed information about SPSS IF Commercial, refer to the current version of the collective investment scheme prospectus with integrated fund contract dated January 2024 (and any more recent versions). The most recent prospectus with the integrated fund contract is available free of charge from the fund management company or the custodian bank.

2.2 No recommendation

If an investor decides to buy or sell units in SPSS IF Commercial, they should base their decision on their own analysis of SPSS IF Commercial and consider the risks and the rewards associated with such units. In particular, before entering into a transaction, the investor is urged to carefully consider their risk profile, weigh the particular risks associated with SPSS IF Commercial units and to research the risks involved in securities trading by reading the revised brochure «Special Risks in Securities Trading» published by the Swiss Bankers Association (available at the following internet address: https://www.swissbanking.org).

3. RISKS

Investment risks

SPSS IF Commercial is subject to the investor protection regulations of the Federal Act of 23 June 2006 on Collective Capital Investment Schemes (CISA). These regulations may at best mitigate the aforementioned risks, but cannot exclude them.

Investors considering whether to purchase SPSS IF Commercial real estate fund units in connection with this issue should consider the following specific, but not exhaustive, risk factors. These risks, whether individually or in combination, may adversely affect the real estate fund's earnings situation and the value of the fund's assets and may lead to a reduction in the value of the units.

Dependence on economic developments

SPSS IF Commercial mainly invests in commercial properties in German-speaking Switzerland. As a result, the real estate fund is dependent on general economic developments and general economic conditions. For example, poor economic growth can lead to higher vacancies in the properties held by the real estate fund. General economic conditions could include a general economic slowdown, changes in the inflation rate in Switzerland or the attractiveness of the location factors of Switzerland's main economic areas in an international comparison.

Changes in the Swiss real estate market

The real estate market used to have a cyclical structure. Cyclical fluctuations in supply and demand may also occur in the future in both the tenant and owner markets. This volatility is not necessarily aligned with general economic developments, although demand for commercial properties in particular will depend on how the economy performs, among other factors. Oversupply will lead to a fall in rental income and property prices, while a shortage of supply will cause an increase. In some cases, there is considerable overcapacity in office space. The supply of commercial properties should continue to increase, and further overcapacity may occur in the cities important for the real estate fund, with concomitant pressure on prices. This could also have negative impact on the real estate fund. However, no reliable statements can be made as to the future trajectory of the Swiss real estate market. The performance of properties may also vary greatly depending on their location.

Limited liquidity and portfolio expansion

The Swiss real estate market is marked by limited liquidity, especially in the case of larger properties, which can have a negative impact on prices. Depending on the market situation, it may not be possible to buy or sell larger real estate portfolios in the short term or only with price concessions.

Interest rates

Changes in capital market interest rates, in particular mortgage interest rates, and inflation or inflation expectations can significantly impact the value of the properties, rental income and the costs of financing. However, the fund contract stipulates that the maximum debt burden of all properties on average may not exceed 33.33% of the market values five years after launch.

Real estate values

Real estate values depend on numerous factors and are subject in part to a certain subjective assessment of these factors. The values of the properties determined by the real estate fund as at the respective reporting date and verified by appraisers may therefore deviate from the price achieved in a future sale of the property, as the sale price is based on supply and demand at the time of the sale.

Despite diversifying the real estate portfolio as stipulated in the fund contract, changes in the credit risks of the tenants, vacancy risks, rents and other factors can have a significant bearing on the value of the fund assets and units. Even if longer-term rental agreements are concluded wherever possible, rental income is not guaranteed and there is no certainty that expiring agreements can be renewed at least on the same terms.

Environmental risks

The real estate fund checks the properties for environmentally relevant risks at the time of purchase. If identifiable environmentally relevant contamination or problems arise, either the expected costs are included in the purchase price calculation, an indemnity is agreed with the seller or the property is not purchased. However, unknown contamination or other issues may only come to light later on. This can lead to significant, unforeseen remediation costs, reducing the value of the fund assets and units.

Competition

Changes in the management of real estate that are now emerging, especially commercial real estate (keywords: renting instead of buying, outsourcing of real estate and/or real estate management), could lead to increased competition and a process of consolidation that has already begun.

Switzerland’s bilateral agreements with the European Union («EU») or its accession to the EU could also lead to a significant increase in demand due to the subsequent opening up of the employment market and possible partial or complete opening up of the Swiss real estate market to foreign investors. From today’s perspective, the possible impact of an opening up of the Swiss employment and real estate markets on the value of real estate located in Switzerland is uncertain.

Changes to laws and regulations

Potential future changes in laws, other regulations and the practices of authorities, in particular in the area of taxation, tenancy, environmental protection, spatial planning and building law, as well as the Federal Act on the Acquisition of Real Estate by Foreign Non-Residents (Lex Koller), may affect real estate prices, costs and income and therefore the value of the fund’s assets and units.

Past performance

Past increases in the unit price are no indication of future increases.

Risks arising from the best-effort issue

The issue will be executed on a commission basis (best-effort basis) within the scope of a public subscription offer in Switzerland. Unless all new units are subscribed to or placed and the maximum number of units is subsequently issued, the subscription ratio will not be adjusted in accordance with the Ausgabe von Immobilienfondsanteilen [issue of real estate fund units] leaflet published by Asset Management Association Switzerland (AMAS) dated 25 May 2010 (issued 21 December 2018), which is why the price offered for the fund units (ex subscription right) may appear to be inappropriate in retrospect. Once the issue is complete, the subscription ratio can no longer affect the price.

Pricing

Units in SPSS IF Commercial Shares are traded over the counter. There is therefore only a limited liquid market, and it cannot be guaranteed that the units will trade in the over-the-counter market at or above the issue price or net asset value. Major price fluctuations may occur at any time, in particular if this issue is postponed or does not take place.

4. DISTRIBUTION AND SALES RESTRICTIONS

4.1 General

A distribution licence is in place for the following countries: Switzerland.

This issue prospectus does not constitute an offer to sell or a solicitation of an offer to subscribe to any securities other than those to which this issue prospectus refers. It does not constitute an offer to sell or a solicitation of an offer to subscribe to units in SPSS IF Commercial where such an offer or solicitation would be unlawful. **No steps have been taken to apply to register or authorise the units in SPSS IF Commercial in any jurisdiction other than Switzerland or to offer the units in any other form to qualified investors in one of these other jurisdictions.** Certain jurisdictions may have laws restricting or prohibiting the distribution of this issue prospectus or the offer and sale of units of SPSS IF Commercial. The fund management company and the custodian bank ask all people in possession of this issue prospectus to determine whether such restrictions exist in their jurisdictions and, if so, to comply with them.

Units of SPSS IF Commercial are exclusively marketed to qualified investors within the meaning of Art. 10 para. 3 and 3ter CISA in conjunction with Art. 4 paras. 3–5 and Art. 5 para. 1 FinSA.

A distribution licence is in place for the following countries: Switzerland.

This offering circular does not constitute an offer of or an invitation to subscribe to other securities than those to which it refers. It does not constitute an offer of or an invitation to subscribe to SPSS IF Commercial units in any circumstances where such offer or invitation would be unlawful. **No actions have been taken to request the registration or authorisation of the SPSS IF Commercial units or to offer or otherwise to qualified investors of the SPSS IF Commercial units in any jurisdiction outside of Switzerland.** The distribution of this prospectus and the offering and sale of SPSS IF Commercial funds units in certain jurisdictions may be restricted or prohibited by law. Anyone who comes into possession of this prospectus is required by the fund management company and the custodian bank to inform themselves about and to observe any such restrictions.

4.2 U.S.A., U.S. persons

The SPSS IF Commercial has not been and will not be registered in the United States according to the United States Investment Company Act of 1940. Units of SPSS IF Commercial have not been and will not be registered in the United States according to the United States Securities Act of 1933 (hereinafter: the «Securities Act»). Therefore, units of the SPSS IF Commercial fund may not be offered, sold or distributed within the USA and its territories or to U.S. persons as defined in the Securities Act.

All information on the SPSS IF Commercial does not constitute either an offer to sell or a solicitation of an offer to buy in a country in which this type of offer or solicitation is unlawful, or in which a person making such an offer or solicitation does not hold the necessary authorisation to do so. All information on the SPSS IF Commercial is not aimed at such persons in those cases where the law prohibits this type of offer or solicitation from being made.

5. SUBSCRIPTION OFFER

5.1 Issue type

Swiss Prime Site Solutions AG in Zug, as the fund management company of SPSS IF Commercial, has decided on a best-effort issue of

a maximum of 779 918 new units in the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial («SPSS IF Commercial»).

The number of new units will be determined by the fund management company following expiry of the subscription period on the basis of the subscription requests received. The definitive issuing volume may therefore be less than 779 918 units.

The new units will be offered for subscription to existing unit-holders under the following conditions:

5.2 Subscription period

The subscription period is from 10 March to 21 March 2025, 12:00 noon (CET).

5.3 Subscription ratio

Each existing unit will be assigned one (1) subscription right. Three (3) subscription rights entitle the holder to subscribe to one (1) new unit in exchange for payment of the issue price in cash.

5.4 Granting of subscription rights

From 10 March 2025, the units will be traded ex subscription right. The date of entitlement for the granting of subscription rights is 11 March 2025 (after close of trading).

5.5 Issue price

The issue price is **CHF 102.95** net per new unit of Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial.

The issue price was determined in accordance with the fund contract. The issue price includes the estimated net asset value per unit (NAV) as at the settlement date plus the issue commission as well as the flat-rate ancillary purchase costs. The estimated NAV as at the Settlement Date was derived as follows: Audited net asset value as at 30 September 2024 plus accrued gains up to the Liberation Date, less the distribution for the 2023/24 financial year of CHF 4.90 (ex-date: 4.12.2024 / payment date: 6.12.2024). The accumulated profits up to the liberation date are based on the budget for the current financial exercise. The estimated NAV as at the Liberation Date is CHF 101.63 and may differ from the effective NAV as at the Liberation Date. The issuing commission was determined in accordance with §18 of the fund contract and amounts to 0.80%, which corresponds to CHF 0.81. The issue price is calculated on the basis of the NAV at the time of issue. The flat-rate ancillary purchase costs amount to 0.50%, which corresponds to CHF 0.51.

5.6 Exercising the subscription right

Investors who deposit their units with a custodian bank for safekeeping will have subscription rights booked directly. The exercise of subscription rights is subject to the instructions of the custodian bank.

5.7 Subscription rights trading and remuneration for subscription rights not exercised

There are no arrangements for official trading of subscription rights. However, subscription rights can be freely transferred and traded via the custodian bank or other intermediaries. Banque Cantonale Vaudoise (custodian bank) is at the disposal of investors who wish to submit purchase and sale orders for subscription rights during the period 10 March to 19 March 2025. The value of transferred subscription rights is subject to fluctuation and therefore cannot be guaranteed. In particular, there is no guarantee that an active market for the subscription rights will actually develop in this period.

Subscription rights that are not exercised will be remunerated at a unit price at the end of the subscription period. The unit price of the subscription rights will be determined in accordance with the following remarks. The fund management company will have the final decision in determining the price of subscription rights.

In the event of full subscription or oversubscription (i.e. if the sum of requested subscription rights is greater than or equal to the sum of available subscription rights at the end of the subscription period), the unit price for subscription rights will be determined as follows:

Market maker's average closing prices (bid price) for the period 10 March to 21 March 2025 minus the issue price (incl. issue commission and flat-rate ancillary purchase costs):

$$Remuneration\ of\ subscription\ rights = \frac{average\ price - issue\ price}{number\ of\ existing\ units\ /\ number\ of\ new\ units}$$

In the event of undersubscription (i.e. if the sum of requested subscription rights is less than the sum of available subscription rights at the end of the subscription period), the unit price for remuneration of subscription rights not exercised will be determined for investors who wish to sell subscription rights at the end of the subscription period as follows:

Market maker's average closing prices (bid price) for the period 10 March to 21 March 2025 minus the issue price (incl. issue commission and flat-rate ancillary purchase costs) multiplied by the sum of subscription rights requested, divided by the sum of available subscription rights:

$$Remuneration\ of\ subscription\ rights = \frac{average\ price - issue\ price}{number\ of\ existing\ units / numberof\ new\ units} * \frac{Number\ of\ requested\ subscription\ rights}{Number\ of\ available\ subscription\ rights}$$

If the above calculation formulae for the value of subscription rights do not result in a positive value, the value will be set at zero.

5.8 Free subscription

Free subscription is available to existing investors who wish to oversubscribe in addition to exercising the subscription rights held or to any new investor (who does not hold subscription rights at the beginning of the subscription period). These investors are referred to as "New Investors".

These new investors will be asked to complete the subscription form for the free subscription (either for the over-subscription or for the new subscription).

Within this framework, the price to be paid per unit will be determined after the subscription period. It includes the issue price of CHF 102.95 per unit (issue commission and ancillary costs are included in the issue price) as well as the compensation for the subscription rights required for this subscription.

If, at the end of the subscription period and after taking into account the subscription rights exercised, the demand for units exceeds the corresponding offer, the fund management will decide on the allocation and any possible reductions based on objective criteria established by them.

5.9 Payment in cash

The payment date for the new fund units will be 28 March 2025.

5.10 Sale restrictions

A distribution licence is in place for the following countries: Switzerland.

No steps have been taken to apply to register or authorise the units in SPSS IF Commercial in any jurisdiction other than Switzerland or to offer the units to the general public in any other form in any other jurisdiction other than Switzerland.

Units of the real estate fund may not be offered, sold or delivered within the USA.

Units of this real estate fund may not be offered, sold, or delivered to investors who are US persons or who subscribe to units on behalf of or for the account of US persons or with funds provided by US persons.

5.11 Certification

The units are held in book-entry form and are not certificated.

5.12 Dividend entitlement

The new units grant the holder entitlement to dividends for the 2024/2025 financial year.

5.13 Force majeure

The fund management company and the custodian bank have the right to postpone and/or cancel the issuance of new units at any time before the payment date due to events of a national or international, currency policy, financial, economic, political or operational nature or in the event of incidents of any other kind that would seriously jeopardise the success of the product.

Swiss Prime Site Solutions REAL ESTATE ASSET MANAGERS

6. GENERAL INFORMATION ABOUT SWISS PRIME SITE SOLUTIONS INVESTMENT FUND (SPSS IF) COMMERCIAL

6.1 Utilisation of issue proceeds

In line with the fund's investment policy, the issue proceeds will be used for the further expansion of the property portfolio, in particular for:
– purchase of additional properties
– partial repayment of external financing

6.2 Target market & investment objectives

The fund favours investment in commercial real estate in attractive locations throughout Switzerland. The focus of the investment policy lies in asset generation with a long-term outlook that is diversified in terms of type of use and property features.

INVESTMENT STRATEGY

- Core+
- Focus on commercial real estate (especially light-industrial) in attractive locations in Switzerland
- Mainly sole ownership
- Stable cash flows
- Attractive risk-return profile

6.3 Key figures as at 30.09.2024 (audited annual report)

Total fund assets	CHF 435'404'729
Net fund assets	CHF 244'117'258
Net asset value per unit	CHF 104.20
Distribution per share	CHF 4.90
TER (REF GAV)	0.63%
Number of properties	17
Return on investment	4.56%
Rent default rate	1.50%
Laon-to-value ratio	40.67%

Past performance is no guarantee of current or future performance.

6.4 Development of the dividend over the last three years

- CHF 3.50 for the 2021/22 financial year (ex-date 18.11.2022 / payment 9.12.2022).
- CHF 4.40 for the 2022/23 financial year (ex-date 6.12.2023 / payment 8.12.2023).
- CHF 4.90 for the 2023/24 financial year (ex-date 4.12.2024 / payment 6.12.2024).

6.5 Development of the NAV per unit over the last three years

- CHF 105.75 per 30.09.2022
- CHF 104.06 per 30.09.2023
- CHF 104.20 per 30.09.2024

6.6 Development of changes in capital over the last years

- 1st issue with payment date 17 December 2021: 1’441’705 fund units at CHF 100 each
- 2nd issue with payment date 1 April 2022: 677'871 fund units at CHF 101.66 each
- 3rd issue with payment date 9 December 2022: 78’070 fund units at CHF 103.12 each
- Contribution in kind as of 5 January 2023: 145’109 fund units at CHF 103.37 each
- Redemption as of 30 September 2024: 3,000 fund units at CHF 104.20 each

6.7 Portfolio changes since the annual report as at 30.09.2024

No further properties have been acquired or sold since the annual report as at 30.09.2024.

6.8 Outlook for the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

Due to the anticyclical investment profile of SPSS IF Commercial, the fund will continue to observe the market for the potential purchase of further properties that offer an attractive risk-return profile in comparison with other usage types. With the seed portfolio integrated into a highly robust portfolio with long-term leasing agreements, the cash flow risks can be further diversified through further acquisitions and thus continuously lowered. Further properties with a total value of around CHF 100 million are currently undergoing acquisition analysis, which may lead to an optimal absorption of the new equity funding. The investment focus on commercial properties combined with prudent evaluation by an experienced team and the nationwide network of Swiss Prime Site Solutions with access to on- and off-market transactions offers a chance to enter into lucrative investment opportunities and form cash flow streams with stable values.

7. OTHER DOCUMENTS AND ANNEXES

This issue prospectus contains the audited annual report as at 30.09.2024 and the prospectus and integrated fund contract.

8. CONTACT

8.1 Fund management

Address:	Swiss Prime Site Solutions AG, Poststrasse 4a, 6300 Zug
Telephone:	+41 (0)58 317 16 31
Contact person:	Monika Gadola Hug
Email:	monika.gadolahug@sps.swiss

8.2 Custodian bank

Address:	Banque Cantonale Vaudoise, Banque dépositaire (180-2155), Postfach 300, 1001 Lausanne, Switzerland
Telephone:	+41 (0)21 212 40 96
Fax:	+41 (0)21 212 16 56
Contact person:	Immo Desk
Email:	immo.desk@bcv.ch

9. RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

Swiss Prime Site Solutions AG assumes full responsibility for the content of this issue prospectus and declares that, to the best of its knowledge, the information contained therein is correct and that no material facts have been omitted. It confirms that, to the best of its knowledge and having undertaken all reasonable clarification, the information corresponds with the facts and that beyond the information included in this issue prospectus, there have been no events that could substantially alter the financial situation of Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial.

Zug, 03 March 2025

The fund management company

Swiss Prime Site Solutions AG

The custodian bank

Banque Cantonale Vaudoise

Swiss Prime Site Solutions
REAL ESTATE ASSET MANAGERS

Annual report as at 30.09.2024

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

A contractual investment fund under Swiss law for qualified investors in the “real estate fund” category

Disclaimer

Contents

Editorial

Dear investors,

The Swiss Prime Site Solutions Investment Fund Commercial ("SPSS IFC") can look back on a strong 2023/2024 financial year characterised by high yields. Record low vacancies and profits from portfolio streamlining brought high net revenues and a significant increase in dividends. At the same time, the portfolio's carbon footprint fell by a considerable 28%. The fund management team would like to thank you for your trust, and believe that this result serves as confirmation of their investment strategy.

The past year was dominated by geopolitical tensions, inflation pressure and continued market volatility. These factors affected the economic environment and led to greater caution among market participants, particularly in relation to investment in the real estate sector. Higher interest rates and economic uncertainty brought additional challenges. Amid this demanding environment, the fund continued to focus on operational excellence and unlocked further potential of the SPSS IFC. Vacancy losses fell further to a record low of 1.5%, strengthening the cash flow-oriented portfolio and reflecting the investment strategy's focus on economically strong sites. The sharp rise in rental income, supported by high indexing rates, offset the significant increase in financing costs and further raised the operating profit margin. The profitable sale of a property in Cham also serves to highlight the sustainable valuation of our portfolio.

Thanks to the high-yield 2023/2024 financial year, the SPSS IFC is increasing its dividend from CHF 4.40 to CHF 4.90 per fund certificate. This leaves the payout ratio at a defensive 87%. This attractive cash yield of 4.9% exceeds last year's results, putting it at the upper end of our target range.

The fundamental strength of the SPSS IFC is also seen in the solid performance in over-the-counter trading since the establishment of the fund in 2021. In this period the fund has achieved performance of +6.15%, meaning it outperformed the index of Swiss real estate funds listed on the stock exchange (SWIIT) by a rate of +8.20%, which declined by –2.05% in the same period.

With our focus on operational excellence, an attractive cash yield and targeted implementation of effective ESG measures, we are convinced that we can offer our investors an attractive investment product that can create added value both in uncertain times and in a recovering market environment.

Maximilian Hoffmann
CIO Funds (Commercial)

Photo: Via Laveggio 5, 6855 Stabio

Key information at a glance

Key data	30.09.2024	30.09.2023
Number of units in circulation at the start of the reporting period	2 342 755	2 119 576
Fund units issued	–	223 179
Fund units redeemed	–	–
Number of units in circulation at the end the reporting period	2 342 755	2 342 755
Net asset value per unit in CHF	104.20	104.06
Closing price in CHF (Mid)[1]	100.50	104.50
Market value in CHF[1]	235 446 878	244 817 898
Premium/Discount	–3.55%	0.42%

Balance sheet	30.09.2024	30.09.2023
Fair value of the properties	430 989 000	434 824 000
Total fund assets (GAV) in CHF	435 404 729	439 308 150
Net fund assets (NAV) in CHF	244 117 258	243 790 202
Loan-to-value ratio as % of fair value[2]	40.67%	42.08%

Return and performance information	01.10.2023–30.09.2024	01.10.2022–30.09.2023
Distribution in CHF[3]	4.90	4.40
Cash yield	4.88%	4.21%
Payout ratio	86.56%	79.19%
Return on equity (ROE)	4.05%	1.71%
Return on invested capital (ROIC)	3.11%	1.56%
Return on investment	4.56%	1.77%
of which cash flow yield	5.68%	5.43%
of which capital growth	–1.13%	–3.67%
Performance[4]	0.06%	9.37%
Total expense ratio, GAV (TER_{REF} GAV)	0.63%	0.71%
Total expense ratio, market value (TER_{REF} MV)	1.17%	1.28%

Income statement	01.10.2023–30.09.2024	01.10.2022–30.09.2023
Net income[5]	13 262 229	13 016 501
Rental income	22 731 209	20 729 273
Rent default rate	1.50%	3.29%
Weighted average unexpired lease term (WAULT)	5.38 years	5.41 years

1) Only over-the-counter trading on the secondary market
2) FINMA approval for an exemption to the maximum encumbrance limits in the first five years after the launch
3) Ex date: 04.12.2024 / Payment date: 06.12.2024
4) Calculation based on bid prices
5) Adjusted for provisions for future repairs

Fund information and organisation

Fund information	
Fund name	Swiss Prime Site Solutions Investment Fund Commercial
Year of foundation	2021
Securities number / ISIN	113 909 906 / CH1139099068
Legal form	Contractual real estate fund for qualified investors (Art. 25 et seq. CISA)
Investor base	Qualified investors within the meaning of Art. 10 para. 3 and 3ter CISA in conjunction with Art. 4 paras. 3–5 and Art. 5 para. 1 FinSA
Accounting year	1 October to 30 September
Fund management company	Swiss Prime Site Solutions AG, Zug
Statutory auditors of the fund management company	PricewaterhouseCoopers AG (PwC), Zurich
External auditor of the real estate fund	KPMG AG, Zurich
Custodian bank	Banque Cantonale Vaudoise, Lausanne

Board of Directors

Jürg Sommer
Chairman of the Board of Directors

Marcel Kucher
Member of the Board of Directors

Philippe Keller
Member of the Board of Directors

The Board of Directors of Swiss Prime Site Solutions AG comprises the following members:

- Jürg Sommer, citizen of Sumiswald, resident in Safenwil, Chairman (also Group General Counsel of Swiss Prime Site AG, Zug, and Chairman of the Board of Directors of the following Swiss Prime Site group companies: Akara Property Development AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, and Chairman of the Supervisory Board of Fundamenta Group Deutschland AG, Munich)
- Marcel Kucher, citizen of Herrliberg, resident in Zurich, Vice-Chairman (also Group CFO of Swiss Prime Site AG, Zug, and a member of the Board of Directors of the following Swiss Prime Site group companies: Akara Property Development AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, Jelmoli AG, Zurich, Swiss Prime Site Immobilien AG, Zurich, Swiss Prime Site Finance AG, Zug, Swiss Prime Site Management AG, Zug, and a member of the Supervisory Board of Fundamenta Group Deutschland AG, Munich); member of the Board of Directors of Superlab Suisse AG, Zurich, Flexoffice (Schweiz) AG, Zurich, and Urban Connect AG, Zurich
- Philippe Keller, citizen of Sarmenstorf, resident in Hergiswil, Member (also Managing Partner of PvB Pernet von Ballmoos AG, Zurich, and a member of the Board of Directors of Akara Property Development AG, Zug)

Executive Management

The Executive Board of Swiss Prime Site Solutions AG comprises the following members:
- Anastasius Tschopp, citizen of Sursee, resident in Hünenberg, CEO (also a member of the Executive Board of Akara Property Development AG, Zug, a member of the Executive Board of the Swiss Prime Site Group, and a member of the Board of Directors of the following Swiss Prime Site group companies: Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, and a member of the Supervisory Board of Fundamenta Group Deutschland AG, Munich)
- Philippe Brändle, citizen of Mosnang, resident in Zurich, CFO (also a member of the Executive Board of Akara Property Development AG, Zug) until 31 March 2024
- Bernhard Rychen, citizen of Wilderswil, resident in Zug, CFO (also a member of the Executive Board of Akara Property Development AG, Zug) from 1 April 2024
- Jerome Pluznik, citizen of Gänsbrunnen, resident in Zurich, Head Legal & Compliance (also a member of the Executive Board of Akara Property Development AG, Zug)
- Reto Felder, citizen of Flühli, resident in Dottikon, COO (also a member of the Executive Board of Akara Property Development AG, Zug)
- Deniz Gian Orga, citizen of Solothurn, resident in Uitikon Waldegg, COO & CIO Swiss Prime Investment Foundation from 1 July 2024 (also Managing Director of Luise Verwaltung GmbH in Germany – part of the investment group SPA Living+ Europe)

Operational Management

Anastasius Tschopp
CEO

Bernhard Rychen
CFO

Maximilian Hoffmann
CIO Funds (Commercial)

Samuel Bergstein
Head Acquisition & Sales (Commercial)

Monika Gadola Hug
Head Client Relations

Regina Hardziewski
Head Sustainability

Information on third parties

Accredited valuation experts

- Laura Blaufuss, PriceWaterhouseCoopers AG, Zurich
- Sebastian Zollinger, PriceWaterhouseCoopers AG, Zurich

Property management

- Wincasa AG, Winterthur

Delegation of specific tasks

The fund management company has delegated specific tasks in the following areas to SPS Management AG, Zug a group company of Swiss Prime Site AG, Zug:

- Accounting
- Real estate controlling
- IT and infrastructure
- Human Ressources
- Internal audit

Photo: Oberer Steisteg 18/20, 6430 Schwyz

Activity report by the fund management company

The Swiss Prime Site Solutions Investment Fund Commercial ("SPSS IFC") closed the 2023/2024 financial year with high yields and significantly increased its dividend payment. By focusing on operational excellence, the fund reduced vacancies to a record low of 1.48% and further increased net revenues. The strong operating result led to an EPS of CHF 5.66 (net revenue, adjusted for provisions for future repairs per unit certificate) to enable an outstanding increase in the dividend payment to CHF 4.90 per unit certificate (cash yield: 4.88%) with a defensive payout ratio of 86.6%.

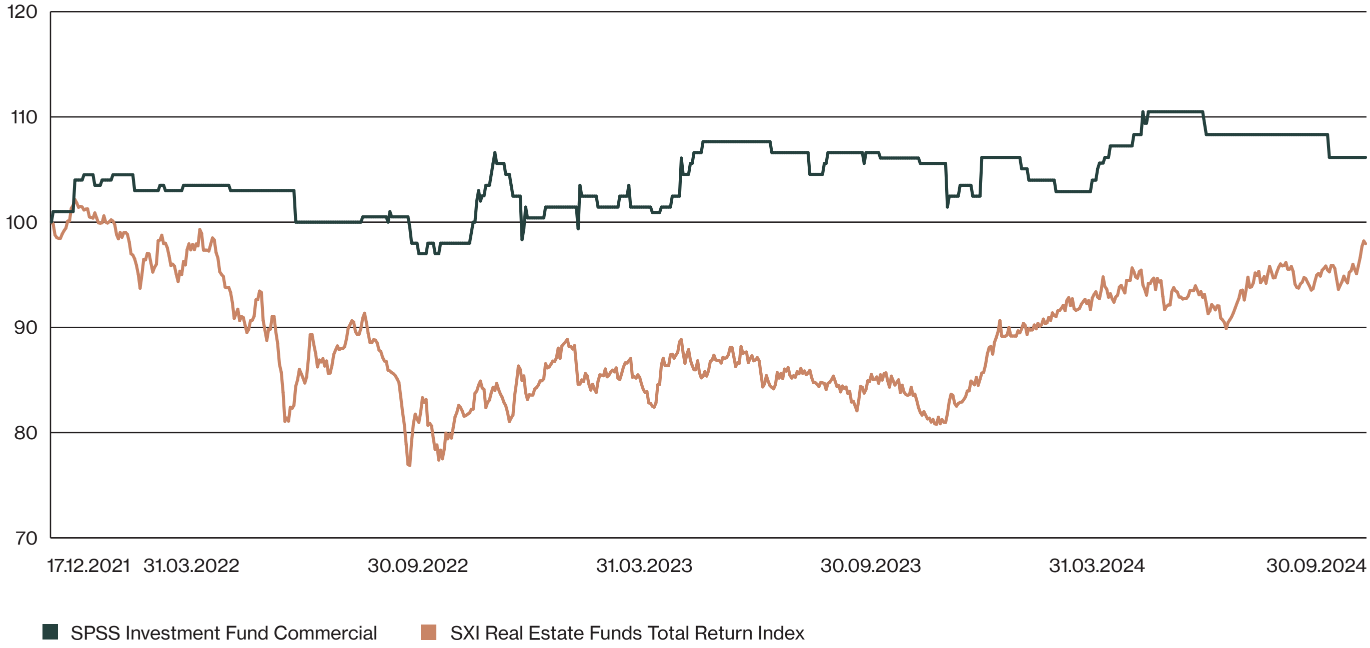
Summary of key facts

- Since launching, the total return outperformed the index of Swiss real estate funds listed on the stock exchange (SWIIT) by a rate of +8.20%, which declined by –2.05% in the same period.
- The SPSS IFC closed the 2023/2024 financial year with a cumulative return on investment of 4.56%. This comprised a cash flow return of 5.68% and negative capital growth of –1.13%. The target range for the cash flow return of between 3.5% and 4.0% was therefore comfortably exceeded.
- The dividend distribution of CHF 4.90 per unit at a payout ratio of 86.6% is significantly higher than our target range for a sustainable dividend strategy of CHF 4.40 per unit certificate.
- The valuation outcome is in line with expectations and was largely cushioned by the strong cash flow performance.
- The increase in the top line (rental income) by a significant 9.7% more than offsets the pronounced 45% increase in financing costs, resulting in growth of the bottom line (net revenue, adjusted for provisions for future repairs) of 1.9%.
- The operating profit margin increased by around 80 bps to 76.25%.
- The borrowed capital ratio fell from 42.1% to 40.7%.
- Within the reporting period, one property (Cham, Dorfplatz 2) was sold at a profit.
- The CO_2 emissions per m^2 of the portfolio were reduced by 28%.

Performance

- **Performance:** In a challenging market environment, the over-the-counter price (bid price) fell from CHF 102.50 to CHF 98.00 per unit. Taking into account the distribution, the performance for the 2023/2024 financial year was 0.06%. Comparing performance since the launch of the SPSS IFC, the fund outperformed the Real Estate Funds Total Return Index (SWIIT) by 8.02%. The discount on the net asset value was 3.55% on the balance sheet date, demonstrating the SPSS IFC's robustness compared to other commercial funds.

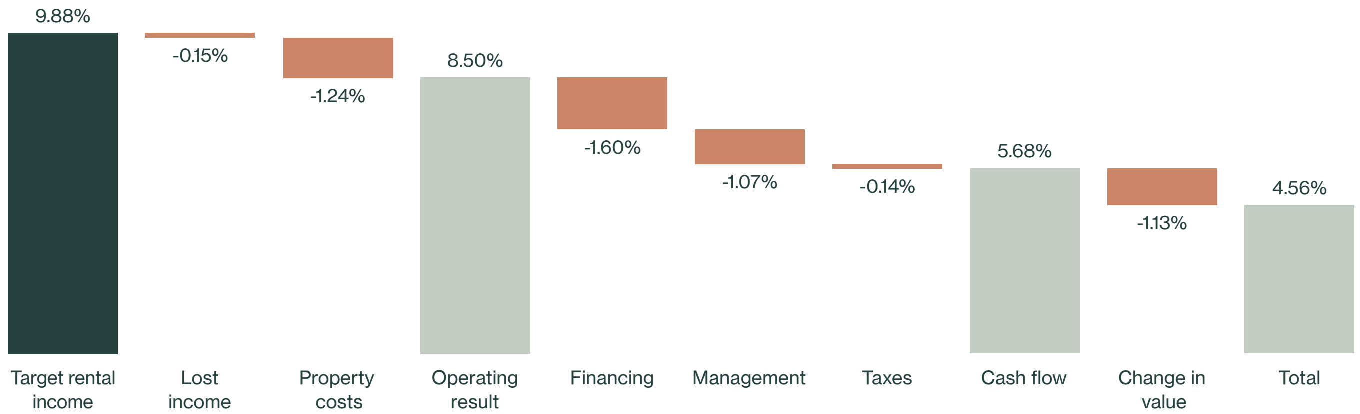
Price performance SPSS IFC vs. SXI Real Estate Funds Total Return Index (SWIIT)



Yield

- **Investment yield:** A high cash flow yield of 5.68% was generated in the 2023/2024 financial year, reflecting the good operating result. The market-induced devaluations caused by rising interest rates in the first half of the year and the associated increase in the discount rate (like-for-like) led to a value correction for the portfolio of –1.61% at the half-year point. Part of the half-year value correction was offset at year-end, resulting in a value correction of –1.13% on an annualised basis. The total return for the period was therefore 4.56%.

Composition of SPSS IFC shareholders' equity and return on investment, 2023/2024 financial year



Balance sheet

- **Fair value of properties:** The fair value of the property portfolio fell by CHF 3.8 million compared to year-end 2022/2023, amounting to CHF 431.0 million on 30 September 2024 (previous year: CHF 434.8 million). This decrease is attributable to valuation corrections and the sale of the property in Cham.
- **Discounting:** The real discount rate as at 30 September 2024 was 3.47%, 0.01% basis points higher than in the previous year (3.46%).

- **Total and net fund assets:** The total fund assets amounted to CHF 435 million, more or less unchanged from the previous year's figure (CHF 439 million). Net fund assets remained constant at CHF 244 million, as there were no issues in the past financial year.
- **Net inventory value:** The net inventory value per unit certificate at the balance sheet date of 30 September 2024 was CHF 104.20 (previous year: CHF 104.06).
- **Loan-to-value ratio:** The loan-to-value ratio was reduced further to 40.7% at the balance sheet date (previous year: 42.1%), which is below the permissible maximum limit of 50% sanctioned by FINMA until December 2026.

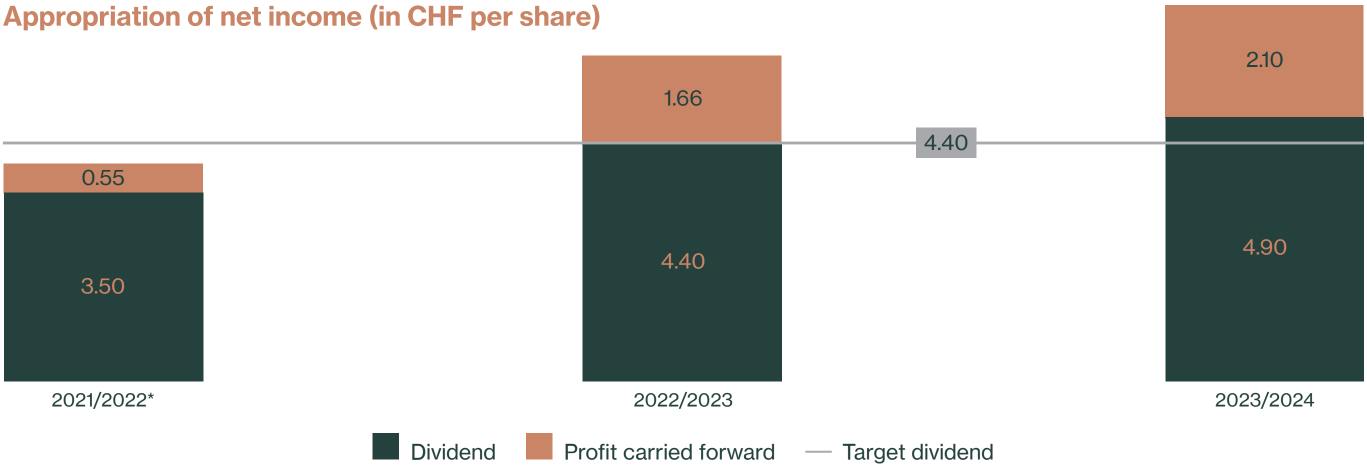
Income statement

- **Rental income:** Rental income of CHF 22.7 million was posted for the reporting period. This represents an increase of CHF 2.0 million (9.7%) compared to the previous year. Factors that contributed to this increase include improved rental income for existing properties due to indexing and further reduction in vacancy losses.
- **Financing costs:** The financing costs for the reporting year amounted to CHF 3.7 million. The average financing costs of 2.0% rose significantly compared to the previous year (1.6%), but were also significantly offset by the high-yield portfolio.
- **Total expense ratio (TER):** In the financial year 2023/2024, the TER GAV of 0.63% represented a significant reduction on the previous year (0.71%). This reduction can be attributed in particular to the management fees retrospectively charged to tenants. This change in practice led to a reduction in management fees for the current financial year of CHF 483 000 (including CHF 283 000 from the previous year).

Net income

- **Unrealised capital gains/losses:** The market-induced corrections to the valuations as at 30 September 2024 are shown under unrealised capital losses. At around CHF 1.1 million, devaluations of the portfolio were in line with market expectations.
- **Capital gains/losses:** The sale of the property in Cham brought a capital gain in the amount of CHF 435 000.
- **Earnings per share (EPS):** The EPS (net revenue, adjusted for provisions for future repairs per unit certificate) totalled CHF 5.66, resulting in a dividend payout of CHF 4.90 per unit certificate with a payout ratio of 86.6%. This equates to a cash yield of 4.88%. This result is higher than the target range of the sustainable dividend strategy (CHF 4.40 per unit certificate) and can be attributed to an extraordinarily high-yield financial year 2023/2024. With this the SPSS IFC has succeeded in continually increasing dividends since the launch of the fund, and has significantly surpassed each dividend target.
- **Use of profits:** In total, net revenue amounted to CHF 13.3 million, adjusted for provisions for future repairs. Of this, 86.6% was distributed to investors in the form of dividends. The remaining 13.4%, CHF 1.8 million, will be used to form provisions for repairs (CHF 750 000) as well as profit carried forward to the new financial year (CHF 1 033 000).
- **EBIT margin:** The EBIT margin increased further compared with the previous year to reach 76.3% in the reporting period (previous year: 75.4%).

Appropriation of net income (in CHF per share)



* Because the first financial year 2021/2022 was a shortened financial year, the dividend contribution was based on a period of nine months.

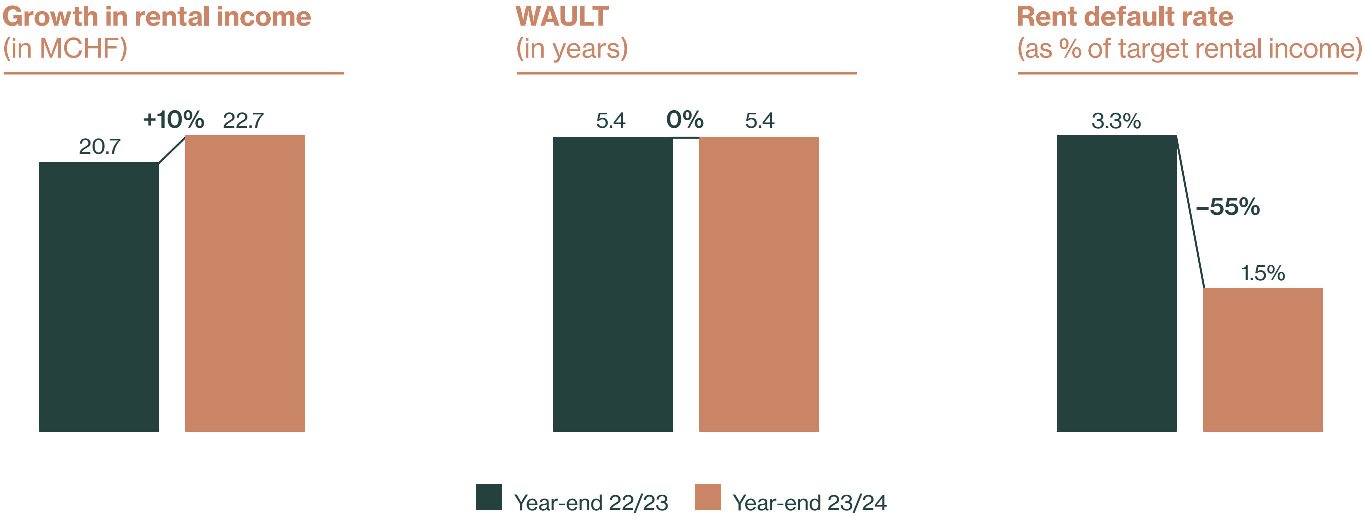
Financing structure

- **Maturity:** The maturity structure for financing amounts to an average residual term to maturity of 0.56 years. The fund management team is currently considering reallocation of financing to increase the residual term to maturity. A reallocation of CHF 25 million following the close of the reporting period brought the residual term to maturity to 1.1 years.
- **Interest increase:** The financing costs for the reporting year amounted to CHF 3.7 million. The average financing costs of 2.0% rose significantly compared to the previous year (1.6%). As at 30 September 2024, the average weighted interest rate for external financing was 1.78%.

Portfolio Management

- **Rental income:** Rental income rose by CHF 2.0 million (9.7%) compared to the previous year. This growth in rental income was made up of indexing and rental increases (2.8%), reduction in vacancies (2.4%) and portfolio growth (4.5%).
- **Net yield:** At 4.56%, the net yield of the portfolio in the reporting period was above the target of 4.0%.
- **Rent losses:** Rent losses declined further to a record low of 1.50% at the balance sheet date (previous year: 3.29%). Rent losses were made up of vacancy losses (1.48%) plus collection losses (0.02%).
- Weighted average unexpired lease term (WAULT): The weighted average unexpired lease term (WAULT) remained stable at a high level of 5.4 years in the 2023/2024 financial year (previous year: 5.4 years) and was therefore just below the all-time high since the fund's launch in December 2021.
- **Valuation:** The valuation outcome shows a change of –1.1% compared to the half-year valuation as at 31 March 2024 (–1.6%). The half-year value correction was offset by around 50 basis points, cushioning the value correction on an annualised basis for the reporting period, which amounted to –1.1%. Revaluation in the second half of the year was achieved without structural adjustment to discount rates. The valuation result was largely made up of properties that generate additional income through targeted investments, with associated revaluation.
- **Construction measures (Capex, capital expenditures):** We implemented capitalisable Capex measures of approximately CHF 3.5 million within the portfolio during the reporting period. This investment in the physical infrastructure amounts to around 0.8% of the portfolio's value and is aimed at long-term value preservation.

– The three main measures:
  – Winterthur, Rudolf-Diesel-Strasse 20: installation of PV system
  – Oberbüren, Buchental 4: refurbishment of lift systems
  – Centro Lugano Sud: expansion of rental space
  – Burgdorf, Emmentalstrasse 14: expansion of rental space
– **Green leases:** In the reporting period, there were a total of two rental contracts signed with mutual agreements regarding sustainability aspects (“green lease”). These “green leases” now represent approximately 17% of the target rent for the portfolio.



Acquisition & Sales

– **Acquisitions:** There were no properties acquired in the reporting year.
– **Sales:** In the reporting year we sold one property in Cham at a profit as part of portfolio streamlining.

Sustainability strategy

Integration of ESG factors into the investment process

– When considering new investments, we conduct a systematic ESG due diligence assessment based on on-site inspections. This enables us to identify significant ESG-related risks and potential and strategically define future optimisation measures right at the start of the investment process. When managing investments, environmental (E), social (S) and governance (G) aspects – collectively referred to as ESG criteria – are adequately taken into account throughout all investment phases.

Outlook for the SPSS Investment Fund Commercial

– The SPSS IFC continues to perform well in a challenging market environment. A high cash flow yield of 5.68% with a defensive distribution ratio enabled us to significantly surpass the dividend target. The record low vacancy rate of just 1.48% and the weighted average unexpired lease term of over 5 years show that the SPSS IFC is invested in economically strong locations with high stability. The properties’ net yields, which average 4.56%, sustainably support the SPSS IFC’s high cash flow return and will remain the focus of the fund management. Opportunities for reallocating to a more defensive financing structure will be continually monitored and seized once the market conditions are right. A selective approach is taken to portfolio expansion by means of acquisitions. Properties must have a risk/reward profile that is appropriate for the portfolio, with a focus on attractive, long-term cash generation.

Photo: Centro Lugano Sud, Via Cantonale, 6916 Grancia

Sustainability

The fund management is committed to an ESG-integrated approach and pursues a sustainable investment policy. The sustainable investment policy was incorporated into the fund documents effective 9 January 2024. We are implementing the following environmental (E), social (S) and governance (G) measures:

Portfolio and asset management

Environment (E)

Our aim is for the portfolio to be climate-neutral (net zero CO_2) by 2050 in terms of heat and electricity supply. To this end, we are committed to adhering to a CO_2 reduction pathway that is consistent with the 1.5-degree target of the Paris Agreement and the Swiss Federal Council's goal of achieving climate neutrality by 2050. There is a particular focus on reducing Scope 1[1] and Scope 2[2] greenhouse gas emissions (GHGE) in accordance with the methodology of the Greenhouse Gas Protocol (GHG Protocol).

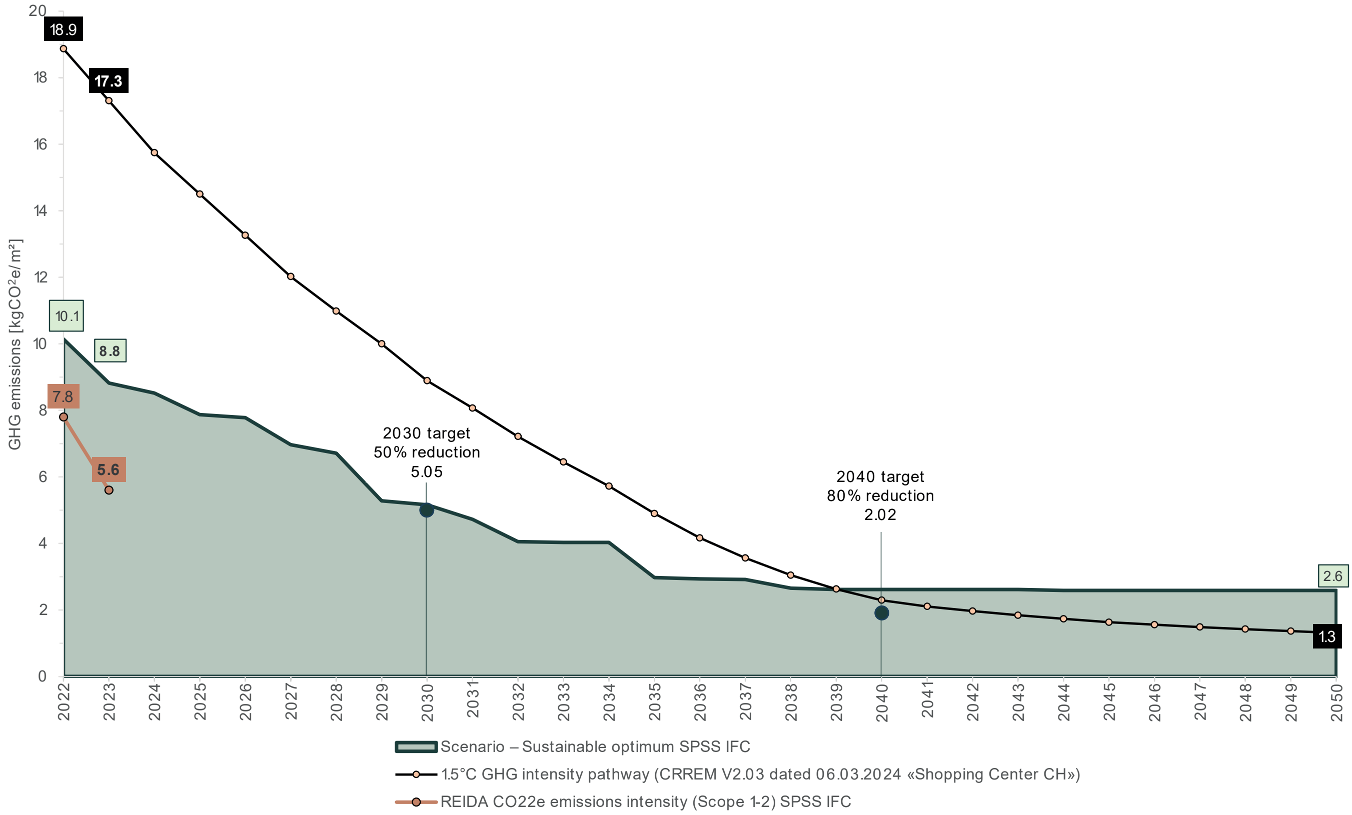
This is how we plan to achieve our climate protection targets:

- **CO_2 reduction pathway:** A CO_2 reduction pathway has been established for all properties, focusing on operational energy consumption and the energy mix within the properties. It follows the current CRREM (Carbon Risk Real Estate Monitor) pathways with the defined 1.5-degree reduction scenario for shopping centres in Switzerland.

The CO_2 reduction pathway identifies opportunities for improvement and derives property-specific measures. In order to plan and coordinate these steps holistically, we incorporate the requirements of the CO_2 reduction pathway into the property strategies.

1) Direct emissions from the combustion of fossil fuels (e.g. oil heating)
2) Indirect emissions caused by purchased energy (e.g. district heating, electricity)

SPSS IFC CO_2 reduction pathway and climate targets – (Scopes 1, 2 & 3)



The reduction pathway depicted here reflects the "sustainable optimum". Existing fossil fuel-powered heating systems will be replaced by geothermal probes or groundwater heat pumps once they reach the end of their service life. For the renovation of building shells, building parts will be evaluated using the MuKEn 2014 guideline on thermal insulation. To a large extent, suitable roof and façade surfaces will be fitted with PV systems.

On the balance sheet date, the CO_2 reduction pathway accounted for 17 properties and includes actual measured values (heating, general electricity) for single and multi-tenant properties. The current focus of the reduction pathway is on operating the portfolio Scope 1 and 2 and parts of Scope 3 in line with the GHG Protocol. In this case, Scope 3 encompasses energy consumption by tenants as determined by overall electricity output (as opposed to general electricity).

CO_2 emissions are calculated using the KBOB factors that apply throughout Switzerland ("Ökobilanzdaten im Baubereich: 2009/1:2022"). The Swiss consumer mix (location-based) is used for electricity, and the Swiss district heating mix (location-based) for district heating. This includes on-site consumption of energy from PV systems.

For 2022, the carbon intensity (10.1 kg CO_2e/m^2) from the reduction pathway in the previous reporting period was taken as the starting value. The actual CO_2 emissions for 2022 (7.8 kg CO_2e/m^2) and 2023 (5.6 kg CO_2e/m^2) are presented in accordance with the REIDA standard. The key findings from observations along the CO_2 reduction pathway are:

– The actual emissions by energy reference area fell significantly from 2022 (7.8 kg CO_2e/m^2) to 2023 (5.6 kg CO_2e/m^2) – around 28%

- The actual emissions by energy reference area are lower than the emissions forecast under the “sustainable optimum” scenario
- Since the launch of the SPSS IFC, the actual emissions by energy reference area have been well below the CRREM target pathway.

The planned, forecast emissions for the period 2024 to 2039 are also, in part, well below the CRREM target pathway. This will allow us to build a positive emissions reserve for the years 2040 to 2050. In 2039, the CRREM target pathway intersects with the reduction pathway.

Note on data calculation: REIDA calculates key figures by energy reference area (ERA) with standardised factors on the basis of rentable space. For the CO_2 reduction pathway, the ERA is based on SIA 2040[1]. Scope 3 emissions are also considered on a pro-rata basis for calculation of the CO_2 reduction pathway.

- **Sustainable investment planning:** We develop specific measures to continuously improve the ESG factors for the existing portfolio. A 10-year strategic sustainability plan is applied for all properties. External sustainability specialists evaluate all properties and draw up 10-year plans for sustainable refurbishment. This planning encompasses measure and cost planning as well as the impact on the CO_2 reduction pathway. This plan then serves as the basis for evaluating the refurbishment measures.

- **Refurbishment and replacement measures:** We replace building technology components or refurbish parts of the building that improve the building’s energy efficiency. This reduces the need for energy from external sources. For instance, we replace the heat generation system with carbon-neutral or low-emission energy sources while improving the building shell at the same time.
  - Bedano, Via d’Argine: replacement of air-to-water heat pump
  - Burgdorf, Emmentalstrasse: start of planning for replacement of oil heating with district heating
  - Solothurn, Hauptgasse: fitting out of 33% of the rental space with LED lighting
  - Amriswil, Weinfelderstrasse 74: start of planning for electromobility at existing petrol station
  - Stabio, Via Laveggio 5: start of planning for fitting out all traffic areas with LED lighting

- **Substitution measures:** This includes investments in additional installations or measures that reduce CO_2 emissions on or inside the building.
  - Entire portfolio: establishing and developing an organisation for energy control (EC) and operational optimisation (BO) for individual properties through external partners, with the aim of achieving sustainability targets more quickly and enabling performance monitoring
  - Winterthur, Rudolf-Diesel-Strasse: successful execution of EC/BO pilot project
  - Remaining portfolio: contract to implement EC/BO in the next financial year
  - Winterthur, Rudolf-Diesel-Strasse: installation of a PV system
  - St. Gallen, Oberbüren: conducting a feasibility study for a PV system

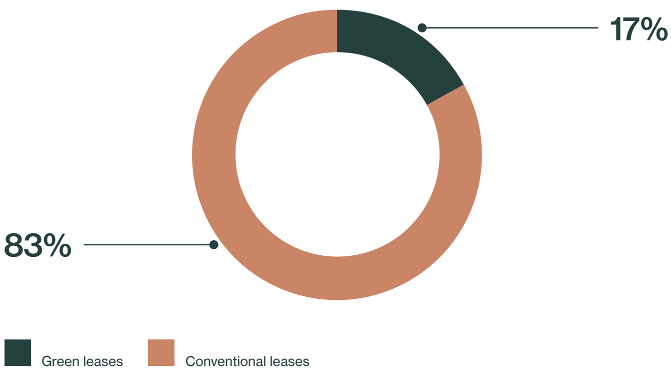
- **Existing certification:** Around 38% of the rental space has been certified with internationally recognised labels. This concerns the following properties:
  - Centro Lugano Sud, Via Cantonale: BREEAM In-Use
  - Stabio, Via Laveggio 5: LEED New Construction, Platinum

1) Final report “Expansion of the building stock model according to the SIA Energie efficiency pathway” by TEP Energy GmbH, June 2016

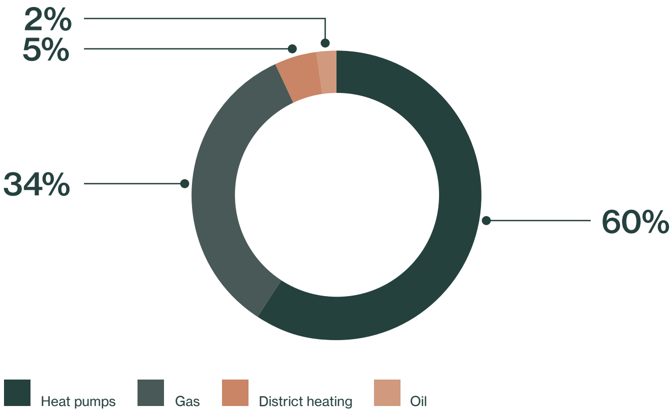
Certification of the Rudolf-Diesel-Strasse property in Winterthur under the DGNB GiB[1] system is currently ongoing. The final certificate is expected in late 2024.

- **Green leases:** Around 17% of the target rent for the portfolio is linked to green leases. These contracts entail mutual commitments between tenants and landlords regarding sustainability aspects.

Green leases
(as % of target rental income)



Energy mix
(as % of energy reference area)



Energy mix: The portfolio draws 65% of its heating capacity from non-fossil fuels (60% heat pumps plus 5% district heating). At present only one property (Burgdorf) is still fitted with an oil heating system. The potential for connecting the building to district heating is currently under evaluation.

Social (S)

Tenant satisfaction survey

- In 2023 we carried out an anonymised tenant survey to identify the needs and preferences of tenants. The survey was designed and conducted by the Swiss market research company LINK. A key finding of the study: satisfaction with the rental properties is high (7.4 points) and slightly above the benchmark (7.2). The study uses a tool to identify measures that are then implemented systematically by the management.

Employee training

- We regularly conduct training to improve the knowledge of our employees, such as on sustainability issues. The Lunch&Learn events are free for employees and are led by external or internal experts.

Governance (G)

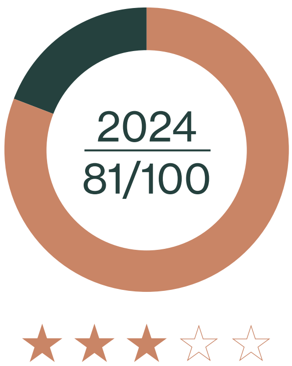
- A sustainability report on the sustainability performance of the property fund is published for investors each year as part of the annual report. Within it, the fund management presents the environmental indicators (energy mix, energy consumption, energy intensity, greenhouse gas emissions, intensity of greenhouse gas emissions).

1) DGNB GiB: Deutsche Gesellschaft für Nachhaltiges Bauen Gebäude im Betrieb (German Sustainable Building Council, Buildings in Use)

Environmental indicators for real estate funds (AMAS): The "environmental indicators for real estate funds" in accordance with the Asset Management Association Switzerland (AMAS) were calculated and published for the second time in the reporting year. To ensure consistent calculation and comparability of the indicators, we used the latest REIDA CO_2e report "Methodological Principles"[1] as a standardised calculation basis. The indicators are based on measured energy and water consumption values. Consumption data for heating gas, district heating, electricity and water is taken from utility bills issued by energy providers. Consumption data for heating oil is provided by the managers.

GRESB (Global Real Estate Sustainability Benchmark): Following successful completion of the GRESB grace period with the receipt of the Green Star, in the reporting year 2023/2024 we took part in a GRESB rating for the first time. We achieved a 3-star rating in the category "Standing Investments", with 81 points.

2024 GRESB Score und Rating "Standing Investment"



UN PRI Signatory: Swiss Prime Site Solutions signed up to the UN Principles for Responsible Investment (UN PRI) on behalf of the SPSS IFC in November 2022. This underscores our commitment to taking ESG (environmental, social and governance) criteria into account in our investment decisions – at the company, fund and property levels. In September 2023 we participated in UN PRI reporting for the first time. We also took part in PRI rating once again in the 2023/2024 reporting year. The results are expected at the end of November 2024 and will be posted on the website.

PACTA: In April 2024, documents for the SPSS IFC portfolio were submitted to the federal government's PACTA (Paris Agreement Capital Transition Assessment) climate compatibility test. The aim of the federal PACTA climate test is to periodically analyse and evaluate the impact of the Swiss finance sector's voluntary climate efforts.

Environmental indicators "SPSS IFC": Only owner-controlled properties were considered, not tenant-controlled ones. Properties from transactions during the year were also not included. The environmental indicators have been climate-adjusted in accordance with REIDA methodology.

1) REIDA CO_2e report "Methodical Principles",16 August 2023, Version 1.2 final

Environmental indicators according to REIDA – KPIs (location-based)

	Unit	2022	2023
Number of properties			
Stock with sufficient energy data	Prop.	10	12
Stock with insufficient energy data	Prop.	0	0
Entire area (ERA)	m^2 ERA	48 986	80 886
Relevant area (ERA)	m^2 ERA	48 986	80 886
Coverage level	**ERA %**	**100**	**100**
Energy consumption	**MWh/a**	**3 883**	**5 501**
Energy intensity	**kWh/m^2 ERA**	**79.3**	**68.0**
Fuels	**%**	**43.2**	**46.2**
Heating oil	%	10.6	3.7
Heating gas	%	32.7	33.7
Biomass	%	0.0	8.8
Heating	**%**	**29.3**	**16.7**
Local and district heating	%	8.1	4.6
Ambient heat	%	21.2	12.0
Electricity	**%**	**27.5**	**37.1**
Electricity (heat pump)	%	8.5	4.8
Electricity (general)	%	19.0	32.3
Share renewable energy	**%**	**47.4**	**52.7**
Share fossil fuels	**%**	**46.9**	**39.8**
CO_2e emissions (Scope 1– 2)	**To. CO_2e/a**	**383**	**451**
CO_2e emission intensity (Scope 1–2)	**kg CO_2e/m^2 ERA**	**7.8**	**5.6**
Scope 1	**%**	**87.5**	**86.7**
Heating oil	%	27.0	11.3
Heating gas	%	60.5	75.1
Biomass	%	0.0	0.3
Scope 2	**%**	**12.5**	**13.3**
Local and district heating	%	2.8	1.9
Anergic emissions[1]	%	6.3	5.9
Electricity (heat pump)	%	1.0	0.7
Electricity (general)	%	2.3	4.8
Water consumption	**m^3**	**10 357.2**	**16 587.4**
Water intensity	**m^3 / m^2 ERA**	**0.2**	**0.2**

Comments: the environmental indicators do not form part of the audited annual report.

CO_2e emissions intensity: 28% improvement from 2022 to 2023. In 2022, the fund purchased the property "Centro Lugano Sud", which uses biomass (wood) as an energy source (transaction not included in 2022 figures).

The indicators for 2022 have changed slightly from the 2022 indicators set out in the previous annual report due to a more precise allocation of purchased energy. For three properties, in 2023 purchased energy was allocated to the tenant for the first time, and not to the owner as in the previous year. This resulted in a redistribution of emissions from owners (Scope 1 and 2) to tenants (Scope 3.13).

1) Anergic CO_2e emissions from burning of fossil waste (recorded under Scope 2)

Successful project in the field of sustainability

Promotion of biodiversity and retention of species diversity
The Centro Lugano Sud, part of the SPSS IFC portfolio, received the "Natur & Wirtschaft" certificate. The Stiftung Natur & Wirtschaft (Nature & Business Foundation) supports companies with planning and execution on the pathway to near-natural sites and offers advice on upkeep and usage of sites. This guarantees a high level of ecological quality in sites, secured for the long term through regular recertification. Near-natural sites not only promote biodiversity, they also ensure high quality of outdoor areas and time spent on the site.

This certificate is issued to company sites whose particular ecological value contributes to the preservation of natural species diversity and quality of life, particularly in industrial and commercial zones. The ultimate aim is the promotion of biodiversity and the preservation of species diversity.

Requirements:
- A minimum of 30% of the entire grounds must be near-natural
- Only domestic and site-appropriate plants can be used
- Ground coverings must be permeable
- No poisons are to be used

Regular recertification (every five years) ensures that companies meet and continuously improve on the high standards. These measures not only help promote biodiversity, they also ensure high quality of time spent on the site and a pleasant working environment.

Lugano Sud Climate Fund
As part of the project to expand the Centro Lugano Sud shopping centre in Grancia, the WWF successfully requested that the new parking spaces be subject to fees (CHF 0.50 per hour). The proceeds from the parking spaces will be donated to the Lugano Sud Climate Fund to finance climate protection measures.

The WWF branch for Italian-speaking Switzerland is part of the climate fund committee that evaluates project applications.

The climate fund has supported numerous projects, including:
- The energy conversion of the shopping centre, which now operates on 100% renewable energy
- Various sustainable mobility projects in Pian Scairolo
- Training and awareness-raising projects on the subject of climate protection
- Renaturation of green areas in the centre of Lugano Sud

Photo: Via Laveggio 5, 6855 Stabio

Essential key figures

17
Properties owned

–28%
Reduction of CO_2 emissions per m²

431.0 million CHF
Fair value

23.1 million CHF
[TARGET] rental income annualise

25.4 million CHF
Average property volume

105 485 m²
Rental space

5.38 years
WAULT

31 %
Share of office space

29 %
Proportion of properties with PV systems

17 %
“Green Leases” as a proportion of target rental income

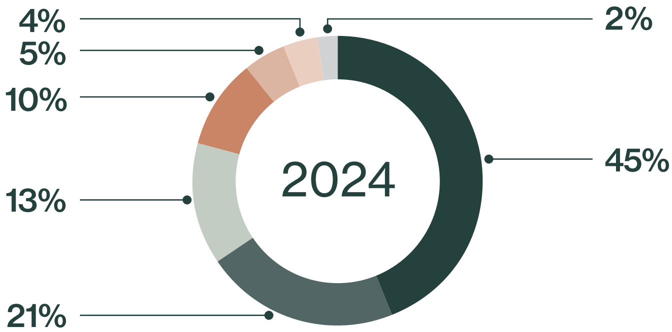
5.30 %
Gross yield (based on fair value)

4.56 %
Average weighted net yield

Portfolio structure

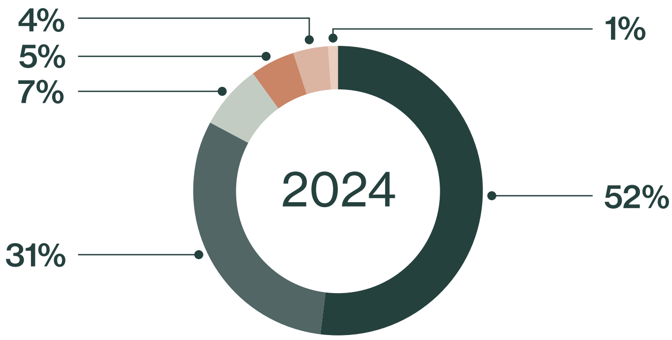
Portfolio split by region (based on target rental income)

	30.09.2024	30.09.2023
Southern Switzerland	**45%**	45%
Zurich	**21%**	20%
Central Switzerland	**13%**	14%
Eastern Switzerland	**10%**	10%
Northwestern Switzerland	**5%**	5%
Berne	**4%**	4%
Western Switzerland	**2%**	2%



Portfolio split by type of use (based on fair value)

	30.09.2024	30.09.2023
Commerce/retails	**52%**	52%
Office/administration	**31%**	32%
Commercial/industrial	**7%**	6%
Storage	**5%**	5%
Parking	**4%**	4%
Other	**1%**	1%



Balance sheet

Actives in CHF	30.09.2024	30.09.2023
Cash, post office and bank balances payable at sight, including fiduciary deposits with third-party banks	2 012 216	2 104 252
Sites		
– Residential buildings	0	0
– Commercial properties	430 989 000	434 824 000
– Mixed-use buildings	0	0
– Building land including properties for demolition and buildings under construction	0	0
Total sites	**430 989 000**	**434 824 000**
Other assets	2 403 513	2 379 898
Total fund assets	**435 404 729**	**439 308 150**

Liabilities in CHF	30.09.2024	30.09.2023
Current interest-bearing mortgages and other liabilities secured by mortgages	–125 285 000	–182 985 000
Other current liabilities	–11 397 150	–9 916 654
Total current liabilities	**–136 682 150**	**–192 901 654**
Non-current interest-bearing mortgages and other liabilities secured by mortgages	–50 000 000	0
Non-current other liabilities	0	0
Total non-current liabilities	**–50 000 000**	**0**
Net fund assets before estimated liquidation taxes	**248 722 579**	**246 406 496**
Estimated liquidation taxes	–4 605 321	–2 616 294
Net fund assets	**244 117 258**	**243 790 202**

Number of units in circulation	01.10.2023–30.09.2024	01.10.2022–30.09.2023
Units in circulation at the start of the reporting period	**2 342 755**	**2 119 576**
Units issued	0	223 179
Units redeemed	0	0
Units in circulation at the end of the reporting period	**2 342 755**	**2 342 755**
Net asset value per unit	**104.20**	**104.06**

Change in net fund assets in CHF	01.10.2023–30.09.2024	01.10.2022–30.09.2023
Net fund assets at the start of the reporting period	243 790 202	224 155 040
Distributions	–10 308 122	–7 418 516
Balance from unit transactions excluding purchase of current income on issue of units and payment of current income on redemption of units	0	22 820 053
Total result	9 885 179	4 233 625
Balance of allocations to/releases of provisions for repairs	750 000	0
Net fund assets at the end of the reporting period	**244 117 258**	**243 790 202**

Previous years' figures	Net fund assets	Net asset value per unit
31.03.2024	236 149 733	100.80
30.09.2023	243 790 202	104.06
30.09.2022	224 155 040	105.75

Information on the balance sheet in CHF	30.09.2024	30.09.2023
Balance on depreciation account for properties	0	0
Balance on provision account for future repairs	750 000	0
Balance on the account for the reinvestment of retained earnings	0	0
Number of units on which notice given by the end of the next financial year	none	3 000[1]

1) Units for which notice was given by 30 September 2023 will be redeemed in December 2024.

Income statement

Income in CHF		01.10.2023–30.09.2024	01.10.2022–30.09.2023
Income from bank and postal deposits		1508	438
Rental income		22 731 209	20 729 273
Other income		4 410	5 880
Purchase of current net income on issue of units		0	230 443
Total income		**22 737 127**	**20 966 034**

Expenses in CHF		01.10.2023–30.09.2024	01.10.2022–30.09.2023
Mortgage interest and interest on liabilities secured by mortgages		–3 738 703	–2 585 824
Other interest payable		–731	–1 218
Maintenance and repairs		–725 812	–445 024
Property management:			
– Property expenses		–1 593 949	–1 265 420
– Administrative expenses	[1]	0	0
Taxes and duties:			
– Property taxes		–313 502	–385 465
– Profit and capital taxes		–331 110	–265 000
– Duties		0	0
Audit expenses	[2]	–66 400	–66 708
Valuation expenses		–69 040	–60 000
Depreciation of properties		0	0
Provisions for future repairs		–750 000	0
– Allocations		–750 000	0
– Releases		0	0
Mandated remuneration of:			
– the fund management company		–2 057 041	–1 983 737
– the custodian bank		–72 090	–71 281
– the real estate managers	[3]	–262 968	–627 862
Other expenses		–243 552	–191 994
Payment of current net income on redemption of units		0	0
Total expenses		**–10 224 898**	**–7 949 533**
Net income		**12 512 229**	**13 016 501**
Realised capital gains and losses		434 977	0
Realised result		**12 947 206**	**13 016 501**
Unrealised capital gains and losses		–1 073 000	–8 170 000
Change in liquidation taxes		–1 989 027	–612 876
Total result		**9 885 179**	**4 233 625**

[1] The management fees of the property management companies are reported under the item “Mandated remuneration of the real estate managers”.
[2] Of which statutory audit TCHF 66.4 (previous year TCHF 66.7). No other services were provided by the statutory auditors.
[3] Subsequent charging of management fee to tenant. This change in practice has resulted in a reduction of CHF 483 000 in management fees in the current financial year (of which CHF 283 000 from previous years).

Appropriation of net income in CHF	30.09.2024	30.09.2023
Net revenue for the reporting period	12 512 229	13 016 501
Capital gains of the reporting period intended for distribution	0	0
Capital gains of previous accounting periods intended for distribution	0	0
Brought forward from previous year	3 880 721	1 172 342
Net income available for distribution	**16 392 950**	**14 188 843**
Net income reserved for distribution to investors	11 479 500	10 308 122
Net income retained for reinvestment	0	0
Balance carried forward to new account	**4 913 450**	**3 880 721**

Photo: Avenue J.-J. Rousseau, 2000 Neuchâtel

Notes

	30.09.2024	30.09.2023
Key data		
Rent default rate	1.50%	3.29%
Loan-to-value ratio (as % of fair value)[1]	40.67%	42.08%
Cash yield	4.88%	4.21%
Payout ratio	86.56%	79.19%
EBIT margin	76.25%	75.44%
Total expense ratio, GAV (TER_{REF} GAV)	0.63%	0.71%
Total expense ratio, market value (TER_{REF} MV)	1.17%	1.28%
Return on equity (ROE)	4.05%	1.71%
Return on invested capital (ROIC)	3.11%	1.56%
Premium/Discount	–3.55%	0.42%
Performance[2]	0.06%	9.37%
Return on investment	4.56%	1.77%

1) FINMA approval for an exemption to the maximum encumbrance limits in the first five years after the launch
2) Calculation based on bid prices

Information on derivatives
None

Principles for the valuation of fund assets and the calculation of net asset value
The net asset value of a unit is the fair value of the fund assets, less any liabilities of the investment fund and any taxes likely to fall due if the fund assets are liquidated, divided by the number of units outstanding. The amount is rounded to two decimal places.

In accordance with Art. 88 para. 2 CISA, Art. 92 and 93 CISO and the Asset Management Association Switzerland (AMAS) Guidelines for real estate funds, the fund's properties are regularly valued by an independent valuation expert accredited by the supervisory authority, using a dynamic capitalised earnings method. The valuation represents a price that would probably be obtained in a prudent sale at the time of the valuation. Buildings under construction and construction projects are also valued at fair value. When properties are bought or sold for the fund and at the end of each financial year, the fair value of the properties held by the fund must be checked by the valuation expert. The valuation experts must survey the properties at least once every three years. In certain cases, opportunities may arise that could be seized in the best interest of the funds, particularly to buy or sell properties for the fund. This may lead to discrepancies compared with the valuations.

For the properties valued by PwC, the average weighted real discount rate according to market values was 3.47% as at 30 September 2024. The average weighted capitalisation interest rate according to market values was 3.48% as at 30 September 2024.

Further information on the fair values can be found in the valuation report of the independent real estate valuer.

Inventory of properties as at 30.09.2024
Summary

Property category in CHF	Actual costs		Fair value		Gross income (rental income ACTUAL)	
Commercial	434 603 000	100.0%	430 989 000	100.0%	22 710 054	100.0%
– thereof building law	0		0		0	
– thereof condominium property	0		0		0	
Total	**434 603 000**		**430 989 000**		**22 710 054**	

Photo: Marktgasse 3, 8400 Winterthur

Property details

(all values in CHF) Town/city, address	Built	Form of ownership	Actual costs	Fair value	Target rental income[1]	Rental defaults[1]		Gross income[1] (net rental income)	Gross yield (based on fair value)
Commercial properties									
Amriswil, Weinfelderstrasse 74	2004	Sole ownership (100%)	7 453 000	7 144 000	515 396	–	0.0%	515 396	7.2%
Bedano, Via d'Argine 3	2002 / 2010	Sole ownership (100%)	21 050 000	19 168 000	1 083 580	–	0.0%	1 083 580	5.7%
Burgdorf, Emmentalstrasse 14	1972	Sole ownership (100%)	8 568 000	7 208 000	414 973	21 335	5.1%	393 638	5.8%
Cham, Dorfplatz 2		sold	–	–	235 618	11 111	4.7%	224 507	
Dietikon, Kirchstrasse 20	1987	Sole ownership (100%)	14 682 000	16 953 000	616 782	2 340	0.4%	614 442	3.6%
Grancia, Via Cantonale	1991 / 2004	Sole ownership (100%)	86 254 000	86 217 000	6 992 468	84 865	1.2%	6 907 603	8.1%
Luzern, Luzernerstrasse 86, 88	1986	Co-ownership (99%)	22 291 000	21 981 000	1 012 739	44 338	4.4%	968 402	4.6%
Neuchâtel, Avenue J.-J. Rousseau 7	1929	Sole ownership (100%)	8 211 000	9 614 000	495 312	9 190	1.9%	486 122	5.2%
Oberbüren, Buchental 4	1990	Sole ownership (100%)	28 632 000	27 730 000	1 569 895	–	0.0%	1 569 895	5.7%
Schwyz, Oberer Steisteg 18, 20	1988	Sole ownership (100%)	9 747 000	8 690 000	585 836	26 229	4.5%	559 607	6.7%
Solothurn, Hauptgasse 59	1963	Sole ownership (100%)	19 500 000	19 883 000	796 549	–	0.0%	796 549	4.0%
St. Gallen, Rorschacher Strasse 63	1960	Sole ownership (100%)	8 969 000	8 634 000	351 667	–	0.0%	351 667	4.1%
Stabio, Via Laveggio 4	2010	Sole ownership (100%)	80 308 000	79 030 000	3 370 239	–	0.0%	3 370 239	4.3%
Stabio, Via Laveggio 5	2008 / 2019	Sole ownership (100%)	10 295 000	10 031 000	428 064	–	0.0%	428 064	4.3%
Steinhausen, Chollerstrasse 21, 23	1990	Sole ownership (100%)	25 185 000	23 676 000	1 118 959	165 255	14.8%	953 704	4.7%
Thun, Bälliz 7	1900	Sole ownership (100%)	11 454 000	10 224 000	476 319	–	0.0%	476 319	4.7%
Winterthur, Marktgasse 3	1969	Sole ownership (100%)	19 744 000	20 028 000	626 630	–	0.0%	626 630	3.1%
Winterthur, Rudolf Diesel Strasse 20	2019	Sole ownership (100%)	52 260 000	54 778 000	2 385 091	1 400	0.1%	2 383 691	4.4%
Overall total			**434 603 000**	**430 989 000**	**23 076 116**	**366 063[2]**	**1.6%**	**22 710 054[3]**	**5.3%**

1) Not annualised
2) Without lump-sum value adjustment of CHF 19 000
3) Without lump-sum value adjustment of CHF 19 000 and other non-recurring income of CHF 2 155

Information on actual remuneration rates where the fund regulations lay down maximum rates	30.09.2024	
	Actual	**Maximum**
a) Remuneration of the fund management company		
Annual commission for the management of the real estate fund, management of its assets and distribution of the real estate fund, based on the total fund assets	0.47%	1.00%
Commission for work on construction, renovation and modification of buildings, based on construction costs	3.04%	9.00%
Remuneration for work on the purchase and sale of properties, based on the purchase/sale price, where no third party is commissioned for this	1.50%	2.00%
Remuneration for the management of the individual properties during the reporting period based on gross rental income	n.a.	5.00%
Issuing commission to cover the costs associated with the placement of new units, based on the net asset value of the newly issued units[1]	n.a.	2.50%
Redemption commission to cover the costs associated with the redemption of units, based on the total asset value of the redeemed units	n.a.	2.50%
b) Remuneration of the custodian bank		
Commission for the custody of the fund assets, provision of the payment infrastructure for the real estate fund and the other expenses listed in section 4 of the fund contract, based on the total fund assets	0.03%	0.05%
Commission for the payment of annual income to investors	none	none

1) Excluding granted discounts

Total amount of the contractual payment obligations after the balance sheet date for purchases of properties and for construction contracts and investments in properties	30.09.2024
Purchases of properties	0
Construction contracts and investments in properties	5 731 200

Non-current liabilities, broken down into those falling due within one to five years and after five years	30.09.2024
1 to 5 years	50 000 000
> 5 years	0

Investments	30.09.2024
Investments that are listed on an exchange or another regulated market open to the public: valued at the prices paid on the primary market; in accordance with Art. 84 para. 2 lit. a CISO-FINMA.	0
Investments for which no prices are available pursuant to lit. a above: valued on the basis of parameters that are observable on the market; in accordance with Art. 84 para. 2 lit. b CISO-FINMA.	0
Investments not valued on the basis of parameters that are observable on the market: valued using suitable valuation models and taking account of the current market circumstances; in accordance with Art. 84 para. 2 lit.	430 989 000
Total investments	**430 989 000**

Mortgages and other liabilities secured by mortgages

Current mortgages and fixed advances (as at 30.09.2024)

Type of loan	Term from	Term to	Amount in CHF	Interest rate
Fixed advance	30.07.2024	30.10.2024	20 000 000	1.89%
Fixed advance	30.08.2024	30.10.2024	29 900 000	1.76%
Fixed advance	30.09.2024	30.10.2024	15 000 000	1.70%
Fixed advance	30.09.2024	31.10.2024	43 385 000	1.75%
Fixed advance	30.09.2024	31.10.2024	2 000 000	1.71%
Fixed advance	30.09.2024	30.09.2025	15 000 000	1.45%
Fixed-rate mortgage	30.11.2023	28.11.2025	35 000 000	1.92%
Fixed-rate mortgage	30.11.2023	30.11.2026	15 000 000	1.88%
Total			**175 285 000**	**1.78%**

Expired mortgages and advances (01.10.2023–30.09.2024)

Type of loan	Term from	Term to	Amount in CHF	Interest rate
Fixed advance	17.07.2023	17.10.2023	8 000 000	2.06%
Fixed advance	31.08.2023	31.10.2023	30 000 000	2.18%
Fixed advance	29.09.2023	31.10.2023	5 700 000	2.14%
Fixed advance	17.10.2023	17.11.2023	4 800 000	2.06%
Fixed advance	31.08.2023	30.11.2023	43 385 000	2.17%
Fixed advance	31.08.2023	30.11.2023	39 100 000	2.19%
Fixed advance	29.09.2023	30.11.2023	32 500 000	2.04%
Fixed advance	29.09.2023	08.12.2023	24 300 000	2.04%
Fixed advance	17.11.2023	22.12.2023	4 500 000	2.04%
Fixed advance	08.12.2023	15.01.2024	24 300 000	2.06%
Fixed advance	31.10.2023	30.01.2024	3 200 000	2.07%
Fixed advance	30.11.2023	30.01.2024	17 800 000	2.06%
Fixed advance	22.12.2023	30.01.2024	4 500 000	2.17%
Fixed advance	31.10.2023	31.01.2024	32 500 000	2.13%
Fixed advance	30.11.2023	31.01.2024	4 300 000	2.27%
Fixed advance	22.12.2023	31.01.2024	750 000	2.23%
Fixed advance	15.01.2024	15.02.2024	21 800 000	2.06%
Fixed advance	30.11.2023	29.02.2024	20 000 000	2.13%
Fixed advance	30.01.2024	29.02.2024	25 500 000	2.07%
Fixed advance	31.01.2024	29.02.2024	2 500 000	2.07%
Fixed advance	31.01.2024	29.02.2024	35 050 000	2.26%
Fixed advance	15.02.2024	15.03.2024	21 100 000	2.07%
Fixed advance	29.02.2024	29.03.2024	20 000 000	2.11%
Fixed advance	15.03.2024	15.04.2024	20 600 000	2.03%
Fixed advance	29.02.2024	29.04.2024	28 700 000	2.03%
Fixed advance	29.02.2024	30.04.2024	20 000 000	2.19%
Fixed advance	28.03.2024	30.04.2024	500 000	1.83%
Fixed advance	29.03.2024	30.04.2024	19 700 000	1.92%
Fixed advance	31.03.2024	30.04.2024	250 000	2.03%
Fixed advance	15.04.2024	22.05.2024	18 600 000	1.85%
Fixed advance	29.04.2024	30.05.2024	28 700 000	1.86%
Fixed advance	30.04.2024	30.05.2024	2 500 000	1.86%
Fixed advance	30.11.2023	31.05.2024	23 385 000	2.11%
Fixed advance	08.12.2023	31.05.2024	10 000 000	2.14%
Fixed advance	29.02.2024	31.05.2024	14 500 000	2.18%
Fixed advance	30.04.2024	31.05.2024	20 000 000	1.95%
Fixed advance	30.04.2024	31.05.2024	17 950 000	2.03%
Fixed advance	22.05.2024	14.06.2024	18 600 000	1.84%
Fixed advance	30.05.2024	28.06.2024	31 200 000	1.85%
Fixed advance	31.05.2024	28.06.2024	43 385 000	1.95%
Fixed advance	31.05.2024	28.06.2024	42 000 000	2.01%
Fixed advance	14.06.2024	28.06.2024	18 600 000	1.83%
Fixed advance	28.06.2024	30.07.2024	31 900 000	1.99%
Fixed advance	28.06.2024	30.07.2024	43 385 000	1.80%
Fixed advance	28.06.2024	30.08.2024	29 900 000	1.80%
Fixed advance	30.07.2024	30.08.2024	9 100 000	1.95%
Fixed advance	30.08.2024	06.09.2024	8 000 000	1.99%
Fixed advance	28.06.2024	30.09.2024	30 000 000	1.79%
Fixed advance	30.07.2024	30.09.2024	43 385 000	1.82%
Fixed advance	06.09.2024	30.09.2024	2 000 000	1.90%

Acquisitions and sales of properties (as at 30.09.2024)

Acquisitions

City, address	Type of building	Fair value
none		

Sales

City, address	Type of building	Selling price
Cham, Dorfplatz 2	Commercial property	7 000 000

Tenants accounting for more than 5% of rental income

Tenant	Property location	Share of rental income in %
VF International Sagl	Stabio	16.7%
Coop Genossenschaft	Grancia, Lucerne, Oberbüren	12.5%
C&A Mode AG	Grancia, Solothurn	5.6%

Information on matters of particular economic or legal significance

Transactions with related parties

The fund management confirms that no real estate assets have been transferred from or to related parties and that other transactions with related parties were carried out at standard market terms (Article 18 of the Guidelines for real estate funds, issued by the Asset Management Association Switzerland (AMAS) on 2 April 2008 (version dated 5 August 2021)).

Changes to the fund contract

The following change to the fund contract was made in the reporting period and published on the electronic platform "www.swissfunddata.ch", the official publication of the real estate fund, on 9 January 2024: Current fund contract dated 9 January 2024 replaces the fund contract dated 18 September 2023. FINMA approval with decree of 8 January 2024. In particular, there were additions to ESG provisions in the fund contract and prospectus. In addition, on 16 April 2024 there was a change to the prospectus due to the change in the fund's executive management and the delegation of fund management activities to third parties.

Material questions concerning the interpretation of laws and the fund contract

Currently there are no material open questions concerning the interpretation of laws or the fund contract in relation to the SPSS IFC.

Fund management and custodian bank

Neither the fund management company nor the custodian bank were changed during the reporting period.

Executive management of the fund

Bernhard Rychen replaced Philippe Brändle as CFO effective 1 April 2024. This change also affects the risk management of the SPSS IFC, which is now run as a separate department. Bernhard Rychen is leading the fund management's Risk department on an interim basis, until a projected end date of 31 December 2024. At that point a new Head of Risk will lead the department. In addition, the fund's executive management has had a new member since 1 July 2024: Deniz Orga. Within the fund management, Deniz Orga leads the Swiss Prime Investment Foundation. With the integration of the real estate division of Fundamenta Group into Swiss Prime Site Solutions AG, Ricardo Ferreira, Head of the Fundamenta Products division within Swiss Prime Site Solutions AG, will also join the fund's executive management.

Legal disputes

There are no material pending legal disputes.

Valuation report

PricewaterhouseCoopers AG
Birchstrasse 160
8050 Zurich
Phone: +41 58 792 44 00
www.pwc.ch

Swiss Prime Site Solutions AG
SPSS IF Commercial
Alpenstrasse 15
6300 Zug

30 September 2024

Market value of the properties as of 30 September 2024

Background and Mandate

On behalf of Swiss Prime Site Solutions AG, all investment properties of the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial (hereinafter «SPSS IF Commercial») have been valued by the Real Estate Advisory Team of PricewaterhouseCoopers AG for financial reporting purposes as of 30 September 2024.

Valuation Standards and Principles

The valuations comply with the requirements of the Collective Investment Schemes Act (CISA), the Ordinance on Collective Investment Schemes (CISO) as well as the guidelines of the Asset Management Association and are in line with the best practice guidelines of the International Valuation Standards (IVSC), the Swiss Valuation Standard (SVS) and the guidelines of the Royal Institution of Chartered Surveyors (RICS). The concept of best possible use has not been applied.

In accordance with the market value definitions of IVSC, SVS and RICS, market value is defined as follows: "Market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Each property is valued individually and not as part of the portfolio. The property value is determined based on observable market parameters. In accordance with valuation practice in Switzerland, costs and taxes which may be incurred by the owner but are not directly related to the property (financing and disposal costs, value added tax, etc.), are not taken into account.

The valuation is based on current information regarding the properties and the real estate market. Documents and data concerning the properties have been provided by the client. The accuracy of these documents is assumed. The properties are surveyed as part of the valuation process at least every three years and for the purpose of an acquisition or following a renovation.

Assessment Methodology

The property values are determined using the discounted cash flow method (DCF method). For this purpose, the expected annual net cash flows, i.e. the cash flows effectively at the owner's free disposal, are forecasted over an observation period of ten years. The remaining useful life is represented by extrapolating the cash flow of a representative year (exit year). The individual cash flows are discounted to the present value and added up. The sum of the present values corresponds to the market value.

The discount rate applied reflects the market-based, risk-adjusted opportunity costs of the investment in the property and is determined using the build-up-method. The base discount rate refers to the long-term yield forecast for 10-year federal bonds and is supplemented by a premium to reflect the general illiquidity of property investments. Further property specific premiums or discounts for location, use and other property related risks are taken into account on a per property basis. The capitalization rate is adjusted for inflation-related cash flow growth from year eleven. The long-term inflation assumption is 1.00%.

The modelling of the expected net cash flows considers indexation and payments according to the current tenancies. After the expiration of current tenancies, rental income is estimated based on comparable values observable on the market. The operating costs incurred by the owner are recorded based on historical property data and comparable values observable on the market. For maintenance costs incurred by the owner, the remaining useful life and the investment sum of the individual building components are determined based on a condition analysis. On this basis, a periodic renewal and an annual maintenance payment are derived, which are compared to market benchmarks.

Valuation Result

As of the valuation date, a total of 17 properties are in the SPSS IF Commercial portfolio. No properties were acquired during the reporting period from 01 October 2023 to 30 September 2024. One property was sold. A total of 12 properties were re-inspected as part of the current valuation.

For the properties valued by PwC, the average real discount rate weighted by market values is 3.47% as of 30 September 2024. The average capitalisation rate weighted by market values is 3.48% as of 30 September 2024.

Based on the above, the market value of the SPSS IF Commercial portfolio as of 30 September 2024 is valued at CHF 430'989'000 by the Real Estate Advisory Team of PricewaterhouseCoopers AG.

Portfolio	Number of properties	Market value (CHF)	Weighted discount rate (real)	Weighted capitalisation rate (real)
SPSS IF Commercial	17	430'989'000	3.47%	3.48%

Independence

In accordance with the corporate policy of PricewaterhouseCoopers AG, the real estate portfolio has been valued independently and impartially. The valuation shall serve the purpose stated above. No liability is assumed towards third parties.

PricewaterhouseCoopers AG
Real Estate Advisory

M Schmidli

Dr. Marc Schmidli, CFA
Partner

Laura Blaufuss

Laura Blaufuss MRICS
Director

Auditor’s report

KPMG AG
Badenerstrasse 172
Postfach
CH-8036 Zürich

+41 58 249 31 31
kpmg.ch

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 regarding the financial statements of

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements (pages 6-9 & pages 26-36) of the investment fund Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial – which comprise the statement of net assets as at 30 September 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 Article 89(1)(b)-(h) and Art. 90 of the Swiss Collective Investment Schemes Act (CISA).

In our opinion, the financial statements are compliant with the Swiss Collective Investment Schemes Act, the relevant ordinances as well as the prospectus with integrated fund contract.

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 and the prospectus with integrated fund contract, 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 Company'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 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.

KPMG AG

Jakub Pesek
Licensed audit expert
Lead auditor

Michael Stamm
Licensed audit expert

Zurich, 12 November 2024

Swiss Prime Site Solutions
REAL ESTATE ASSET MANAGERS

Swiss Prime Site Solutions AG
Poststrasse 4a
CH-6300 Zug
Tel. +41 58 317 17 17
info@sps.swiss

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

Contractual investment fund governed by Swiss law
and established under the «real estate fund» category for qualified investors

Prospectus with integrated fund contract

Fund management company:	Swiss Prime Site Solutions AG Poststrasse 4a 6300 Zug
Custodian bank:	Banque Cantonale Vaudoise Place Saint-François 14 1001 Lausanne

This document contains a translation into English of the original German language fund prospectus and fund agreement. Only the original German language versions are binding.

January 2024

Part 1: Prospectus

This prospectus with integrated fund contract, the key information sheet[1] and the current annual or half-year report (if published after the latest annual report) serve as the basis for all subscriptions of units of the real estate fund.

Only information contained in the prospectus, the key information sheet or the fund contract is valid.

1. Information on the real estate fund

1.1 Establishment of the real estate fund in Switzerland

The fund contract of the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial was drawn up by Swiss Prime Site Solutions AG in its capacity as a fund management company and, with the consent of Banque Cantonale Vaudoise as custodian bank, submitted to the Swiss Financial Market Supervisory Authority FINMA, which approved it for the first time on 20 September 2021.

1.2 Tax regulations relevant to the real estate fund

The real estate fund has no legal personality in Switzerland. It is subject on principle neither to income tax nor to capital tax. Real estate funds with directly held real estate are an exception. In accordance with the federal law on direct federal tax, income from directly held real estate is subject to taxation by the fund itself and is therefore tax-free for unit holders. Similarly, capital gains from directly held real estate are only taxable for the real estate fund.

The federal withholding tax deducted from the real estate fund's domestic income may be reclaimed in full by the fund management company for the real estate fund.

Income distribution from the real estate fund (to investors domiciled in Switzerland and abroad) is subject to Swiss federal withholding tax of 35%. Income and capital gains from directly held real estate and capital gains from the sale of real estate companies and other assets, each distributed with a separate coupon, are not subject to withholding tax.

Investors domiciled in Switzerland can reclaim the withholding tax by declaring it in their tax return or by submitting a separate application for repayment of withholding tax.

[1] Simplified prospectus instead of the key information sheet (transition period until 31 December 2022)

Investors domiciled abroad may reclaim withholding tax in accordance with any double taxation agreement that may exist between Switzerland and their country of domicile. In the absence of an agreement, no possibility exists of recovering this tax.

Tax statements are based on current knowledge of the legal situation and practice. The right to change legislation, jurisprudence or ordinances and practice of the tax authorities is expressly reserved.

Taxation and other tax implications for the investor when holding, buying or selling fund units are determined by the tax regulations in the investor's country of domicile. Investors should contact their tax advisor for information on this.

The real estate fund has the following tax status:

International automatic exchange of information on tax matters (automatic exchange of information):

This real estate fund qualifies as a non-reporting financial institution for the purposes of the automatic exchange of information within the meaning of the Common Reporting and Due Diligence Standard for Financial Account Information (CRS) of the Organisation for Economic Co-operation and Development (OECD).

FATCA:

The Real Estate Fund is registered with the US tax authorities as a Registered Deemed-Compliant Foreign Financial Institution (FFI) – Local FFI within the meaning of Sections 1471 to 1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, FATCA).

1.3 Accounting year

The financial year runs from 1 October to 30 September.

1.4 External auditor

The external auditor is KPMG AG, Zurich.

1.5 Units

The units are held in book-entry form and are not certificated.

The fund contract entitles the fund management company to establish, liquidate or merge different unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The real estate fund is not sub-divided into unit classes.

The unit classes do not represent segmented assets. Accordingly, it cannot be ruled out that one unit class is liable for the liabilities of another unit class, even if costs are in principle charged only to the unit class to which a specific benefit is attributable.

1.6 Listing and trading

The fund management company will ensure regular over-the-counter trading of the real estate fund units via Banque Cantonale Vaudoise, without, however, granting it the exclusive right to do so.

Contact for secondary market
Immo Desk
Email:immo.desk@bcv.ch
Telephone: 021 212 40 96

1.7 Terms and conditions for the issue and redemption of fund units

Units may be issued at any time. They may be issued only in tranches. The fund management company determines the number of new units to be issued, the subscription ratio for existing investors, the issuance method for subscription rights and other terms and conditions in a separate prospectus.

Investors may redeem their units at the close of any financial year, subject to 12 months' notice. Under certain conditions, the fund management company may repay the proceeds of units redeemed during a financial year earlier (cf. section 17.2 fund contract). Investors who wish to redeem units ahead of schedule must request this in writing when giving notice. Scheduled and early redemptions must be made within four months after the close of the financial year (for internationally investing products within four months after the close of the financial year) (cf. section 5.5 of the fund contract).

The net asset value of the real estate fund is calculated at the fair value at the end of the financial year and on each issuance of units.

The issue price is calculated as follows: net asset value calculated in view of the issue, plus ancillary costs (transfer taxes, notary fees, fees, market-aligned brokerage fees, levies, etc.) incurred by the real estate fund on average from the investment of the amount paid in, plus the issue commission. The amount of ancillary costs and issue commission is shown in section 1.12 of the prospectus below.

The redemption price is calculated as follows: net asset value calculated in view of the redemption, less ancillary costs incurred by the real estate fund on average from the sale of a part of the investments corresponding to the terminated unit and less the redemption commission. The amount of ancillary costs and redemption commission is shown in section 1.12 of the prospectus below.

Issue and redemption prices are rounded to two decimal places in CHF.

The fund management company will publish the fair value of the fund assets and the resulting net asset value of the fund units in the official publication simultaneously with notification of the bank or securities dealer mandated with the regular over-the-counter trading of the units.

1.8 Appropriation of income

The net income of the real estate fund will be distributed to investors annually within four months of the close of the financial year in CHF.

The fund management company may make additional interim distributions from the income.

1.9 Investment objective and investment policy of the real estate fund

1.9.1 Investment objective

The investment objective of Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial is mainly to preserve the value of the portfolio properties over the long term and to generate a stable return for investors.

1.9.2 Investment policy

This real estate fund invests primarily directly in real estate assets throughout Switzerland. The fund invests preferably in commercial properties with a high degree of tenant diversification and/or tenants with a high credit rating and reputation. The long-term focus of use will be on office and retail space. Other uses may be added in a subordinate role. Properties with residential use are not a focus but may be acquired, particularly if their potential for conversion and use can be exploited to add value. Project developments are generally permitted. Through a proactive approach (e.g. repositioning, cost management, conversion, development, enhancement, restructuring of rental agreements, etc.), the fund management company identifies and converts potential for value growth at an early stage.

Details of the sustainability policy can be found under item 7 below.

1.9.3 Use of derivatives

The fund management company does not use derivatives.

1.10 Net asset value

The net asset value of a unit is the fair value of the fund assets, less any liabilities of the real estate fund and any taxes likely to fall due if the real estate fund is liquidated, divided by the number of units outstanding, rounded to two decimal places.

1.11 Remuneration and ancillary costs

1.11.1 Remuneration and ancillary costs charged to the fund assets (extract from section 19 of the fund contract)

Administrative commission of the fund management company
- maximum 1% p.a.

The commission is used for management of the real estate fund, asset management and, if applicable, for distribution activities relating to the fund.

In addition, retrocessions and/or rebates may be paid out of the fund management company's administrative commission in accordance with section 1.12.3 of the prospectus.

Custodian bank commission
- maximum 0.05% p.a.

The commission is used for the custodian bank's tasks, such as safekeeping of the fund assets, handling payments and other tasks listed in section 4 fund contract.

The custodian bank does not charge the real estate fund any commission for payment of the annual income to investors.

In addition, other remuneration and ancillary costs listed in section 19 of the fund contract may be charged to the real estate fund.

The effective rates are set out in the annual and half-year reports.

1.11.2 Total expense ratio

The coefficient of total expenses charged to the fund assets on an ongoing basis (total expense ratio, TER_{REF}) must not exceed 0.95% at the close of the first financial year.

1.11.3 Payment of retrocessions and rebates

The fund management company and its agents may pay retrocessions to compensate for distribution activities in respect of real estate fund units in Switzerland or from Switzerland. This compensation may be used to cover the following services in particular:

- Organisation of roadshows
- Participation in events and trade fairs
- Production of advertising material
- Training of sales staff

Retrocessions are not rebates, even if they are ultimately passed on in whole or in part to investors.

Recipients of retrocessions must ensure transparent disclosure and inform investors voluntarily and free of charge of the amount of remuneration they may receive for distribution activities.

On request, recipients of retrocessions must disclose the amounts actually received for distribution activities in relation to the collective investment schemes of these investors.

In respect of sales and distribution activities in Switzerland or from Switzerland, the fund management company and its agents may, on request, pay rebates directly to investors. Rebates serve to reduce the fees or costs attributable to the investors concerned. Rebates are permitted, provided they

- are paid out of fees of the fund management company and thus do not additionally burden the fund assets;

- are granted on the basis of objective criteria;

- are granted under the same time conditions and in the same amount to all investors that meet the objective criteria and request rebates.

The following objective criteria pertain to the granting of rebates by the fund management company:

- The volume subscribed and/or the total volume held by an investor in the collective investment scheme or, where applicable, in the promoter's product range;
- The amount of fees generated by the investor;
- The investment behaviour practised by the investor (e.g. expected investment duration);
- The investor's willingness to support the launch and build-up phase of a collective investment scheme;
- The entering into of an irrevocable commitment by the investor to subscribe, take over and pay units by a deadline set by the fund management company (pre-commitment).

At the investor’s request, the fund management company will disclose the corresponding rebate amount free of charge.

1.11.4 Remuneration and ancillary costs charged to investors (extract from section 18 of the fund contract)

Issue commission for the fund management company, custodian bank and/or distributors in Switzerland and abroad
- maximum 2.5%

Redemption commission for the fund management company, custodian bank and/or distributors in Switzerland and abroad
- maximum 2.5%

Ancillary costs for the benefit of the fund's assets arising from investment of the amount paid in or the sale of investments (section 17.2 of the Fund Contract)

Surcharge on the net asset value:
- maximum 1.5%

Deduction from net asset value:
- maximum 1.5%

1.11.5 Commission-sharing agreements and soft commissions

The fund management company has not entered into any commission-sharing agreements.

The fund management company has <u>not</u>concluded any agreements on soft commissions.

1.11.6 Investments in affiliated collective investment schemes

No issue or redemption commission is charged on investments in collective investment schemes managed directly or indirectly by the fund management company itself, or which are managed by a company with which the fund management company is associated through joint management, control or a significant direct or indirect shareholding.

1.12 Inspection of the reports

The prospectus with integrated fund contract, the key information sheet and the annual and half-year reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

1.13 Legal form of the investment fund

The investment fund is an investment fund under Swiss law of the type "real estate fund" pursuant to the Federal Act on Collective Investment Schemes of 23 June 2006.

The real estate fund is based on a collective investment contract (fund contract) under which the fund management company undertakes to provide investors with a stake in the real estate fund in proportion to the fund units acquired by them and to manage the fund at its discretion and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank is a party to the fund contract in accordance with the tasks assigned to it by law and the fund contract.

1.14 Material risks

The material risks of the real estate fund consist of the following risks.

<u>Market risks:</u> Real estate values depend on general economic growth, the specific development of supply and demand for real estate in the various regions, changes in capital market and mortgage interest rates, and changes in inflation. For example, poor economic growth can lead to higher vacancies in the properties held.

<u>Liquidity risks:</u> The real estate market is considered to be fundamentally illiquid. Prices may therefore be negatively affected, depending on the situation. In the case of a short-term purchase or sale of larger properties, in particular, price concessions may be made if the market conditions are unfavourable.

<u>Valuation risks:</u> The valuation of real estate depends on a variety of factors. These include assumptions about the development of market rents, vacancies and discount rates, the latter

determined by independent valuation experts as part of the valuation. A property's sales price may differ from its value, depending on market demand.

Price risks: The value of the fund units may change as a result of the above-mentioned risks, is subject to fluctuations and is based on the respective market value of the fund's investments. The value of the fund units may fall over an extended period, and there is no guarantee that an investor will achieve a specific return or be able to redeem their units with the fund management company at a specific price. An increase in the unit price does not indicate a corresponding increase in the future, and the unit price may deviate considerably from the net asset value under certain circumstances (premium/discount).

Project risks: The construction and renovation of properties, particularly in large-scale projects, is subject to quality, cost and deadline risks. Cost overruns and delayed deadlines cannot be ruled out and may adversely affect the fund.

Building authorisation risks: Project developments are subject to the risk that the necessary building authorisations may not be granted (on time) and/or may be delayed by unforeseeable objections.

The sustainability risks and the risks associated with the sustainability approach are described under items 7.2 and 7.3 below.

1.15 Liquidity risk management

The fund management company provides appropriate liquidity management. The fund management company assesses the liquidity of the investment fund on a semi-annual basis under various scenarios and documents these. In particular, the fund management company has identified the following risks and provided for appropriate measures:

Market liquidity risk on the asset side:
The risk is that it may not be possible to generate sufficient cash to cover payment obligations in a timely manner, particularly in the event of unexpectedly high return requests.

Liquidity risk on the liabilities side:
The risk is mainly that obligations – e.g. from construction projects or high cash outflows triggered by the redemption of share certificates – cannot be serviced on time or sufficiently without negatively affecting the portfolio allocation or that discounts are made on the sale of real estate assets.

As part of liquidity risk management, the saleability of the properties and real estate portfolios is assessed, taking into account the respective market environment, and the financing of the investment fund, the ratio of equity to debt and the term of the debt financing are evaluated.

Stress tests and scenario analyses are performed to assess liquidity risk. The findings from these analyses are incorporated into the liquidity and liability management.

2. Information on the fund management company

2.1 General information on the fund management company

The fund management company is Swiss Prime Site Solutions AG. Swiss Prime Site Solutions AG, with its registered office in Zurich, has been operating in the investment business since its formation as a limited company in 2017. Swiss Prime Site Solutions AG was granted authorisation by the Swiss Financial Market Supervisory Authority FINMA on 9 September 2021 to operate as a fund management company. On 9 August 2022 Swiss Prime Site Solutions AG merged with Akara Funds AG and Akara Real Estate Management AG and on September 26, 2024, Swiss Prime Site Solutions AG merged with Fundamenta Group Immobilien Holding AG.

2.2 General information on the fund management company

The fund management company manages a total of two real estate funds in Switzerland as of 9 August 2022, with total assets under management of CHF 237 million as of 31. March 2022.

As at the date of this prospectus, the fund management company manages two real estate funds in Switzerland, with total assets under management (AUM) amounting to around CHF 3’149 billion as at 31 December 2023.

As at the date of this prospectus, the fund management company provides the following services in particular:

- Management of and asset management for Akara Property Development 1 KmGK
- Management of and investment advice for pension schemes and investment foundations
- Investment advice for qualified investors including listed companies
- Administration and management of the properties being part of the collective investment schemes, including the development of those properties and building projects
- Provision of services for third parties and for collective investment schemes managed by the fund management company in the area of strategic consulting, leasing, execution of construction projects and transactions concerning properties and property portfolios

<u>Address of fund management company:</u>
Swiss Prime Site Solutions AG, Poststrasse 4a, 6300 Zug, www.spssolutions.swiss

2.3 Management and governing bodies

The Board of Directors of the fund management company comprises the following members:

Chairman:
Jürg Sommer, of Sumiswald, in Safenwil (also Group General Counsel of Swiss Prime Site AG, Zug, as well as Chairman of the board of directors of the following Swiss Prime Site-group companies: Akara Property Development AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, as well as chairman of the board of directors ("Vorsitzender des Aufsichtsrats") of Fundamenta Group Deutschland AG, Munich)

Vice-Chairman:
Marcel Kucher, of Herrliberg, in Zurich (also Group CFO of Swiss Prime Site AG, Zug, and a member of the Board of Directors of the following Swiss Prime Site Group companies: Akara Property Development AG, Zug, Jelmoli AG, Zurich, Swiss Prime Site Immobilien AG, Zurich, Swiss Prime Site Finance AG, Zug, Swiss Prime Site Management AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, as well as member of the board of directors ("Mitglied des Aufsichtsrats") of Fundamenta Group Deutschland AG, Munich)

Member:
Philippe Keller, of Sarmenstorf, in Hergiswil (NW), (also Managing Partner of PvB Pernet von Ballmoos AG, Zurich, and a member of the Board of Directors of Akara Property Development AG, Zug)

The Board of Managers of the fund management company comprises the following members:

- Anastasius Tschopp, of Sursee, in Hüneberg, CEO (also a member of the Executive Board of Akara Property Development AG, Zug, and a member of the Executive Board of the Swiss Prime Site Group and member of the board of directors of Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, and member of the board of directors ("Mitglied des Aufsichtsrats") of Fundamenta Group Deutschland AG) Munich)
- Jerome Pluznik, of Gänsbrunnen (SO), in Zurich, Head Legal & Compliance (also a member of the Executive Board of Akara Property Development AG, Zug)
- Reto Felder, of Flühli, in Dottikon, COO Investment Management (also a member of the Executive Board of Akara Property Development AG, Zug)
- Bernhard Rychen, of Wilderswil, in Zug, CFO (also a member of the Executive Board of Akara Property Development AG, Zug)
- Deniz Orga, of Solothurn, in Uitikon, COO Swiss Prime Investment Foundation

- Ricardo Ferreira, of Unterägeri, in Unterägeri, COO Mandates (also a member of the Executive Board of Fundamenta Group (Schweiz) AG, Zug, and director of several Fundamenta-investment vehicles)

2.4 Subscribed and paid-in capital

The fund management company’s subscribed share capital was CHF 1.5 million. The share capital is divided into registered shares and is fully paid up.

Swiss Prime Site Solutions AG is a wholly owned subsidiary of Swiss Prime Site AG, Zug.

2.5 Transfer of investment decisions and other subtasks

The real estate fund's investment decisions are made by the fund management company; no decisions are delegated.

Specific tasks in Real Estate Controlling, Accounting, IT and Infrastructure and Human Resources have been delegated to Swiss Prime Site Management AG, Zug.

Property management and accounting have been delegated mainly to Wincasa AG, Winterthur.

Swiss Prime Site Management AG and Wincasa AG are distinguished by their many years of experience in these areas. The precise execution of the mandate are governed by an agreement concluded between Swiss Prime Site Solutions AG as the fund management company and Swiss Prime Site Management AG or Wincasa AG.

2.6 Exercise of membership and creditors’ rights

The fund management company exercises membership and creditors’ rights associated with investment of the managed funds independently and exclusively in the interests of investors. On request, the fund management company provides investors with information on the exercise of membership and creditors’ rights.

In the case of pending routine transactions, the fund management company is free to exercise membership and creditors’ rights itself or to delegate them to the custodian bank or third parties and waive the exercise of membership and creditors' rights.

In the case of all other agenda items that may have a long-term impact on investors’ interests, such as the exercise of membership and creditors’ rights to which the fund management company is entitled as a shareholder or creditor of the custodian bank or other related legal entities, the fund management company may exercise the voting right itself or issue express instructions. In so doing, it may rely on information that it receives from the custodian bank, fund manager, the company, proxy advisers or other third parties, or which it learns from the press.

3. Information on the custodian bank

3.1 General information on the custodian bank

The custodian bank is Banque Cantonale Vaudoise. BCV was established for an indefinite period by decree of the Grand Council of Vaud 19 December 1845. It is a corporation organised under public law. Its registered office and executive management are located at Place St-François 14, 1003 Lausanne, Switzerland. It may have subsidiaries, branches, offices and representative offices.

BCV is at the head of a banking and financial group. This group includes a private bank that specialises in asset management and three companies that manage investment funds.

3.2 Further information on the custodian bank

BCV is a client-focused universal bank with more than 175 years of experience in business, about 2 000 employees and more than 60 sales outlets in canton Vaud. Its mandate includes the development of all private sectors throughout the canton, assistance to public sector organisations in the financing of their remit and fulfilment of mortgage lending requirements. To this end, it carries out all usual banking transactions for its own account and on behalf of third parties (Art. 4 LBCV and Art. 4 BCV statutes). BCV conducts its business primarily in canton Vaud; it may also operate elsewhere in Switzerland and abroad if this is in the interests of Vaud's economy. As a cantonal bank, it is committed to developing the canton's economy in line with the principles of sustainable development, taking into account economic, environmental and social criteria.

The custodian bank may entrust the safekeeping of fund assets to third-party custodians and central depositories in Switzerland and abroad, insofar as this is in the interests of proper safekeeping. Financial instruments may be transferred only to regulated third-party custodians or central depositories. This does not apply in cases where assets have to be held in safekeeping at a location where a transfer to regulated third-party custodians or central depositories is not possible, in particular due to mandatory legal provisions or the specific characteristics of an investment product. Under third-party and central safekeeping, the fund management company has co-ownership rather than sole ownership of the deposited securities. Moreover, unsupervised third-party custodians and central depositories are unlikely to meet the organisational requirements placed on Swiss banks.

The custodian bank is liable for any losses caused by the agent unless it is able to demonstrate that it exercised the requisite due care in the selection, instruction and monitoring of the agent.

The custodian bank is registered with the US tax authorities as foreign financial institution subject to the reporting obligations under Model 2 IGA ('Reporting Model 2 FFI') of the intergovernmental agreement within the meaning of Sections 1471-1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including corresponding regulations, 'FATCA').

4. Information on third parties

4.1 Paying agent

The paying agent is: Banque Cantonale Vaudoise, Place Saint-François 14, 1001 Lausanne, together with all its offices in Switzerland.

4.2 Distributor

No distributors have been appointed to distribute the real estate fund that are directly remunerated by the real estate fund.

4.3 Transfer of investment decisions and other sub-tasks

For details on the delegation of investment decisions and other sub-tasks, see section 2.5 in this document.

4.4 Valuation experts

With the approval of the supervisory authority, the fund management company has appointed the following independent valuation experts:

- Laura Blaufuss, Manager Real Estate Advisory, Head Real Estate Valuation, PricewaterhouseCoopers AG, Zurich
- Sebastian Zollinger, Director, Head Real Estate Advisory, PricewaterhouseCoopers AG, Zurich

The valuation experts have many years of experience in real estate and extensive knowledge of the market. The precise execution of the mandate is governed by an agreement concluded between the fund management company Swiss Prime Site Solutions AG and the valuation experts.

5. Further information

5.1 Useful information

Securities number	113 909 906
Currency	CHF

5.2 Publications of the real estate fund

Further information on the real estate fund can be found in the current annual or half-year report. The latest information can also be downloaded online at www.spssolutions.swiss.

In the event of a change in the fund contract, a change of fund management company or custodian bank or the dissolution of the real estate fund, the fund management company will publish notification of this on the electronic platform of Swiss Fund Data AG, www.swissfunddata.ch.

Price publications are made on the electronic platform of Swiss Fund Data AG, www.swissfunddata.ch, on each issuance and redemption of fund units, but at least every six months.

5.3 Insurance cover on properties

Properties owned by the real estate fund are generally insured against fire and water damage and damage due to relevant causes under liability law. Loss of rental income as a consequential cost of fire and water damage is included in this insurance cover. However, earthquake damage and its consequences are not insured.

5.4 Sale restrictions

If units of this real estate fund are issued and redeemed abroad, the provisions applicable in that location apply.

a) Authorisation for distribution activities has been granted for the following countries:

- Switzerland

b) Units of the real estate fund may not be offered, sold or delivered within the USA.

Units of this real estate fund may not be offered, sold, or delivered to investors who are US persons or who subscribe to units on behalf of or for the account of US persons or with funds provided by US persons.

A US Person is a person who: (i) is a United States Person within the meaning of section 7701(a)(30) of the US Internal Revenue Code 1986, as amended, and the Treasury Regulations enacted thereunder; (ii) is a US Person within the meaning of Regulation S of the US Securities Act of 1933, as amended (17 CFR section 230.902(k)); (iii) is not a non-United States Person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR section 4.7(a)(1)(iv)); (iv) resides in the United States within the meaning of Rule 202(a)(30)-1 of the US Investment Advisers Act 1940, as amended; or (v) is a trust, legal entity or other structure established for the purpose of enabling US Persons to invest in this real estate fund.

The fund management company and custodian bank may refuse or restrict the sale, brokerage or transfer of units to individuals or legal entities in certain countries and areas.

6. Further investment information

6.1 Results to date

The results to date can be found in the latest annual or half-year report.

Performance achieved in the past is no indication of the future performance of the real estate fund.

6.2 Profile of the typical investor

The fund is suitable for investors with a medium to long-term investment horizon and a focus on sustainable returns. Investors are able to tolerate temporary fluctuations in the net asset value or market price of the fund units and are not dependent on realising the investment on a specific date.

6.3 Customer relationship management/transfer of data abroad

The fund/fund management company stores investor data electronically. This may involve the use of a cloud solution in which data is outsourced to external companies whose servers are located abroad. The provisions on the cross-border disclosure of data pursuant to Art. 6 of the Federal Act on Data Protection (FADP) are complied with. By subscribing to units in Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial, investors give their consent to the related transfer of data.

7. Sustainability policy

7.1 Sustainability approach

A. Consideration of ESG factors in the investment process

The fund management is committed to an **ESG-integrated approach** and pursues a sustainable investment policy. When selecting and managing investments, environmental (E), social (S) and governance (G) aspects – collectively referred to as ESG criteria – are adequately taken into account in all phases of the real estate investment process (acquisition of existing properties, project developments, construction/modification/refurbishment projects, portfolio and asset management).

By committing to the ESG-integrated approach, the real estate fund aims to systematically and continuously optimise the properties in terms of ESG criteria.
The ESG-integrated approach and the resulting measures apply to the entire property portfolio (100%) of the real estate fund. This includes acquisitions and existing properties.

Acquisition of existing properties
When examining new investments (acquisitions, developments), a systematic ESG due diligence assessment («DD assessment») is conducted internally in the form of on-site inspections and desk research. This makes it possible to identify significant ESG-related risks and potential and, if necessary, strategically define future optimisation measures right at the start of the investment process. The existing DD assessments for acquisitions of existing properties have been expanded to include specific ESG criteria. Swiss Sustainable Building Standard (SNBS)[2] criteria are also applied, and comprehensive due diligence checklists with ESG criteria are firmly integrated and considered in all acquisition processes.

Portfolio and asset management
In the existing portfolio, ESG aspects are considered by means of specific requirements and relevant measures in the area of portfolio and construction project management (as described below in Section B. «Sustainability goals and measures»).

B. Sustainability goals and measures

Environment (E): Climate protection measures
The fund management's aim is for the portfolio to be climate-neutral (net zero CO2) by 2050 in terms of heat and electricity supply. To this end, it is committed to a CO2 reduction pathway that is consistent with the 1.5-degree target of the Paris Agreement and the Swiss Federal Council's goal of achieving climate neutrality by 2050.

[2] https://www.snbs-hochbau.ch/.

The focus is in particular on reducing Scope 1 and Scope 2 greenhouse gas emissions (GHGE) in accordance with the methodology of the Greenhouse Gas Protocol (GHG Protocol).[3] The GHG Protocol is the most widely used standard worldwide for measuring and managing greenhouse gas emissions (GHGE).

Scope 1 emissions are direct emissions from fuels; Scope 2 emissions are indirect emissions from the purchase of district heating and electricity. Scope 3 emissions are emissions from assets owned or controlled by the tenants themselves. They are measured and documented only if the fund management receives the relevant data from tenants.

Currently, the energy consumption of the portfolio is determined mainly on the basis of energy bills. In future, it will be measured automatically for the entire portfolio by an external service provider (e.g. Wincasa AG, Tetrag AG). The consumption values are recorded by the property managers in the energy management system.

Measures for achieving the climate protection goals:

– CO2 reduction pathway: External sustainability specialists create a CO2 reduction pathway for each property (including all acquisitions), focusing on operational energy consumption and the energy mix in the properties. The CO2 reduction pathway follows the current CRREM[4] (Carbon Risk Real Estate Monitor) pathways with the defined 1.5-degree reduction scenario for the corresponding use in Switzerland. CRREM provides transparent, science-based decarbonisation pathways aligned with the Paris climate targets of keeping global warming below 2°C and aiming to limit it to 1.5°C. With the help of CRREM, the CO2 emissions of a building can be measured continuously during the use phase and compared and evaluated against the reduction targets.

  The CO2 reduction pathway helps to identify improvement potential and derive targeted, property-specific measures. The key areas of action with a direct impact on CO2 emissions are the switch from fossil to non-fossil heat generation and, more generally, the refurbishment of building shells. To comprehensively plan and coordinate measures, the requirements of the CO2 reduction pathway are gradually integrated into the property strategies of each property. The goal is to reduce emission intensity to net zero CO2 by 2050. The intermediate target is a reduction in emissions by up to 50 percent by 2030, and by up to 80 percent by 2040, taking 2022 as the base year. By 2050, approximately 80 percent of the required energy mix should consist of renewable energy. The goals and intermediate targets of the real estate fund are published in the annual sustainability reporting as part of the Annual Report[5].

[3] https://ghgprotocol.org/.
[4] https://www.crrem.eu/.
[5] https://spssolutions.swiss/dienstleistungen/swiss-prime-site-solutions-investment-fund-commercial/#c436.

- Sustainable investment planning: Specific measures are developed to continuously improve the ESG criteria for the existing portfolio. A 10-year strategic sustainability plan is applied for all properties. This involves external sustainability specialists (e.g. Wincasa AG) visiting all properties and drawing up a 10-year sustainable refurbishment plan, including a budget and the implications for the CO2 reduction pathway. The plan contains measures for improving the sustainability of properties and is automatically triggered as the basis for evaluating any refurbishment plans for properties acquired in the future. Sustainable investment planning makes it possible to achieve the CO2 reduction target for each property and thus at the portfolio level. A sustainable investment plan is prepared for each property within 12 weeks of acquisition and updated regularly thereafter.

- Refurbishment and replacement measures: Replacement of building technology components or the refurbishment of building parts that increase the energy efficiency of the building, so that less external energy has to be procured. This may include replacing heating systems with emission-neutral or low-emission energy sources while simultaneously improving the building shell.

- Substitution measures: Investment in additional installations or measures that reduce CO2 emissions on or inside the building. This may be achieved by generating emission-free electricity on the premises, either for direct consumption or for feeding into the public power grid (e.g. replacing emission-laden grid electricity with emission-free PV electricity (from photovoltaic systems) or using seawater).

Social (S): Increasing tenant satisfaction
By actively identifying tenant needs, their interests can be better understood and accommodated in the property management. This leads to a sustainable increase in long-term value for tenants as important stakeholders.

Measures for improving tenant satisfaction:

Tenant satisfaction survey
To fulfil the needs and preferences of tenants, a survey is conducted by an independent organisation at least every three years to determine their satisfaction with the rental property and the property management. Specific measures to increase satisfaction are derived from the tenants' feedback. These measures are compiled in a catalogue in close coordination between asset management and property management and are then continuously implemented.

Governance (G): Responsible and transparent corporate management
The fund management reports transparently on its sustainability performance as part of the Annual Report. In addition, the real estate fund currently participates in the leading ESG benchmark for the real estate and financial industry, the «Global Real Estate Sustainability Benchmark» (GRESB)[6]. GRESB analyses and compares real estate investment products on the basis of standardised ESG criteria. Furthermore, the fund management has signed up to the UNPRI

[6] https://www.gresb.com/nl-en/.

(UN Principles for Responsible Investment)[7]. The implementation of PRI aims to improve understanding of the impact of investment activities on environmental, social and governance (ESG) issues and to help the signatories integrate these considerations into their investment decisions.

Measures for creating and increasing transparency:

- Sustainability reporting: A sustainability report on the sustainability performance of the property fund, along with the goals and intermediate targets, is published for investors each year as part of the Annual Report[8]. The fund management presents the environmental indicators (coverage level, energy mix, energy consumption, energy intensity, greenhouse gas emissions, intensity of greenhouse gas emissions). The intensities are shown as relative figures per energy reference area (ERA). According to the REIDA calculation in November 2023, the coverage level at the property portfolio level is 100 percent. The achieved coverage level for future periods is mentioned in the annual reporting.
  The environmental indicators are determined in accordance with the guidelines of the Real Estate Investment Data Association (REIDA[9]). REIDA aims to create transparent comparison possibilities for measuring the CO2 emissions of properties throughout Switzerland. To achieve this, REIDA provides a platform where standards for conversion factors and calculation methods are established.

- ESG benchmarking: The annual assessment of ESG performance in the property portfolio using GRESB represents the comprehensive sustainability rating of the real estate fund. Regular participation in GRESB facilitates the continuous implementation of measures to improve the portfolio. The goal is to participate in GRESB regularly in order to implement portfolio improvement measures on a continuous basis.

- PRI rating: In November 2022, Swiss Prime Site Solutions AG signed up to the UN Principles for Responsible Investment (UNPRI). This underscores SPSS's commitment to considering ESG (environmental, social and governance) criteria in its investment decisions at the company, fund and property levels. The aim is to participate regularly in the annual PRI rating.

Furthermore, at the fund management level, a dedicated position (Head of Sustainability) has been established to promote the implementation of sustainability and advise the real estate fund on sustainability matters. A sustainability taskforce aimed at optimising the sustainability strategy has also been established. This supports and ensures the implementation of a sustainable investment policy and the integration of ESG factors into various stages of the investment process.

[7] https://www.unpri.org/.
[8] https://spssolutions.swiss/dienstleistungen/swiss-prime-site-solutions-investment-fund-commercial/#c436.
[9] https://www.reida.ch/index.php/co2-benchmark.

7.2 Sustainability risks

Climate change is giving rise to an increasing number of risks that may have a negative impact on the value of the fund's investments and potentially lead to unforeseen losses, or even total loss in extreme cases. These sustainability risks are divided into «physical risks» and «transitional risks».

Physical risks arise from climate change-induced events, such as the increased occurrence of extreme weather (e.g. hurricane-like winds or heavy rainfall leading to floods); they have a direct impact on the property portfolio. Transitional risks arise from society's responses to climate change. This includes the emergence of new legal, social, economic and technological conditions (e.g. stricter regulations on the use of renewable energy and energy efficiency).

At the fund level, the potential impact of sustainability risks is currently under assessment, with the definition of corresponding measures for proactive management of these risks in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition, the adverse effects of physical risks are largely mitigated with natural hazard insurance.

7.3 Risks associated with the sustainability approach

The lack of common standards in the area of sustainable investing can result in different approaches to defining ESG (environmental, social, governance) criteria and achieving ESG goals. At present, no universally applicable framework exists with binding ESG criteria that must be considered in order to ensure the sustainability of real estate investments. The absence of an established standard makes it difficult to compare different sustainable financial products in terms of their sustainable investment objectives. Thus, in the fund management's assessments, there is a certain degree of subjectivity and discretion in how sustainability approaches are applied and interpreted during the investment process. For the analysis process, the fund management uses consumption data provided by its external property managers and other third-party providers. The quality of this data can be checked only to a limited extent. This makes the fund management partly reliant on the accuracy and recency of the data it receives.

Despite relevant control mechanisms being in place, the possibility of errors or incomplete data coverage during a reporting period cannot be entirely ruled out.

The fund management's goal of achieving climate neutrality (net zero CO_2) for the portfolio by 2050 also depends on various external factors, such as the length of the building permit approval process, the availability of renewable energy, lead times and the development of new sustainable materials and technologies.

8. Detailed provisions

All other information on the real estate fund, such as the valuation of the fund's assets, the listing of all remuneration and ancillary costs charged to the investor and the real estate fund, and the use of the profit can be found in detail in the fund contract.

Performance achieved in the past is no indication of the future performance of the real estate fund.

Part 2: Fund contract

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

A contractually based investment fund under Swiss law in the ‘real estate fund’ category for qualified investors (hereinafter: the ‘real estate fund’)

I Basic information

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

1st A contractually based investment fund in the 'real estate fund' category (the 'real estate fund') has been established under the name Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial in accordance with Art. 25 et seq. in conjunction with Art. 58 et seq. Federal Act on Collective Capital Investment Schemes (CISA) of 23 June 2006.

2. The fund management company is Swiss Prime Site Solutions AG, with registered office in Zug.

3. The custodian bank is Banque Cantonale Vaudoise, with registered office in Lausanne.

4. At the request of the fund management company and the custodian bank, the Swiss Financial Market Supervisory Authority FINMA has exempted this investment fund from the following provisions pursuant to Art. 10 para. 5 CISA:

   a) in connection with the contribution of investments in the form of a contribution in kind, the obligation to first offer new shares to existing investors[10],

   b) the obligation to make investments in undeveloped properties only in the case of an approved building project; however, such investments are subject to investment restrictions (section 15),

   c) the maximum encumbrance limits for properties (section 14); however, these must be fulfilled within five years.

5. In application of Art. 78 para. 4 CISA, FINMA has, at the request of the fund management company and the custodian bank, exempted this investment fund from the obligation to pay in cash.

[10] For reasons of readability, this document uses gender-neutral language. Where gender-specific terms are used, they apply to both genders.

II Rights and obligations of the contracting parties

§ 2 Fund contract

The legal relationships between investors on one side and the fund management company and the custodian bank on the other are governed by this fund contract and the applicable provisions of Swiss legislation on collective investment schemes.

§ 3 Fund management company

1. The fund management company manages the real estate fund at its own discretion and in its own name for the account of investors. In particular, it makes all decisions relating to the issue of units, the investments and their valuation. It calculates the net asset value, sets issue and redemption prices and determines profit distributions. It asserts all rights belonging to the real estate fund.

2. The fund management company and its agents have a duty to act in good faith, exercise due diligence and provide information. They act independently and safeguard exclusively the interests of investors. They take any organisational measures necessary for the proper conduct of business. They account for the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.

3. The fund management company may delegate investment decisions and subtasks to third parties, provided this is in the interests of efficient management. It shall exclusively commission persons who have the necessary skills, knowledge and experience for this activity and the required licenses. It carefully instructs and monitors the third parties called in.

   The fund management company remains responsible for fulfilling its supervisory duties and safeguards the interests of investors when delegating tasks. The fund management company shall be liable for the actions of persons to whom it has delegated tasks as for its own actions.

   Investment decisions may only be delegated to asset managers who have the necessary authorisation.

4. The fund management company may, with the custodian bank's consent, submit amendments to this fund contract to the supervisory authority for approval (see section 26).

5. The fund management company may merge the real estate fund with other real estate funds in accordance with the provisions of section 24 and may dissolve it in accordance with the provisions of section 25.

6. The fund management company is entitled to the remuneration stipulated in sections 18 and 19, to be released from any liabilities assumed in the proper performance of its duties and to be reimbursed for expenses incurred in connection with such liabilities.

7. The fund management company is liable to investors for ensuring that the real estate companies belonging to the real estate fund comply with the provisions of CISA and the fund contract.

8. The fund management company, its agents, and related individuals and legal entities may not acquire any real estate assets from the real estate fund or assign any such assets to the fund.

   The supervisory authority may, in justified individual cases, approve exceptions to the ban on related party transactions, provided that the exception is in the interests of investors and that in addition to the valuation from the real estate fund's permanent valuation experts, the market conformity of the purchase and sale price of the real estate asset and the transaction costs is confirmed by a valuation expert independent of the permanent valuation experts and their employer and of the fund management company and the custodian bank of the real estate fund.

   On conclusion of the transaction, the fund management company will prepare a report with details of the individual real estate assets acquired or transferred and their value on the effective date of the acquisition or transfer, together with the valuation report from the permanent valuation experts and the report on market conformity of the purchase or sale price from the independent valuation expert within the meaning of Art. 32a para. 1c CISO.

   As part of its audit of the real estate fund, the external auditor will confirm compliance with the special fiduciary duty for real estate investment by the fund management company.

   The fund management company will specify approved transactions with related parties in the real estate fund's annual report.

§ 4 Custodian bank

1. The custodian bank is responsible for the safekeeping of the fund assets, particularly unpledged mortgage notes and shares of real estate companies. The custodian bank is responsible for the issue and redemption of fund units and payments on behalf of the

real estate fund. It may instruct third parties to manage accounts for the daily management of real estate assets.

2. The custodian bank ensures that the countervalue of transactions relating to the real estate fund's assets is transferred to it within the customary deadlines. It notifies the fund management company if the countervalue is not paid within the customary deadline and calls on the counterparty to replace the asset concerned, insofar as this is possible.

3. The custodian bank will manage the requisite records and accounts in such a way as to be able to identify the assets in custody for each individual fund at any time.

   Where assets cannot be accepted into safekeeping, the custodian bank will check the fund management company's ownership and maintain corresponding records.

4. The custodian bank and its agents have a duty to act in good faith, exercise due diligence and provide information. They act independently and safeguard exclusively the interests of investors. They take any organisational measures necessary for the proper conduct of business. They shall account for the collective investment schemes held by them and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.

5. The custodian bank may entrust the safekeeping of fund assets to third-party custodians and central depositories in Switzerland or abroad, provided this is in the interests of efficient safekeeping. It verifies and monitors whether the third-party custodian and central depository appointed by it:

   a) has adequate operational organisation, financial guarantees and the professional qualifications required for the type and complexity of the assets entrusted to it;

   b) is subject to a regular external audit to ensure that the financial instruments are in its possession;

   c) keeps the assets received from the custodian bank in safekeeping in such a way that they can be clearly identified at all times as belonging to the fund assets by means of regular reconciliation of holdings by the custodian bank;

   d) complies with the regulations applicable to the custodian bank with regard to performance of its delegated tasks and avoidance of conflicts of interest.

The custodian bank is liable for any losses caused by the agent unless it is able to demonstrate that it exercised the requisite due care in selection, instruction and monitoring of the agent. The prospectus contains explanations on the risks associated with the transfer of safekeeping to third-party custodians and central depositories.

Financial instruments may be transferred, within the meaning of the previous paragraph, only to regulated third-party custodians or central depositories. This does not apply in cases where assets have to be held in safekeeping at a location where a transfer to regulated third-party custodians or central depositories is not possible, in particular due to mandatory legal provisions or the specific characteristics of an investment product. The prospectus must provide investors with information on safekeeping by non-regulated third-party custodians or central depositories.

6. The custodian bank ensures that the fund management company complies with the law and the fund contract. It checks whether the calculation of the net asset value, the issue and redemption prices of the units, and investment decisions comply with the law and the fund contract, and whether the net income is appropriated in accordance with the fund contract. The custodian bank is not responsible for any investment selection made by the fund management company within the scope of the investment guidelines.

7. The custodian bank ensures that the investor group always remains restricted to qualified investors within the meaning of Art. 10 paras. 3 and 3ter CISA and section 5.1 below. When verifying the investor group to this end, it may rely in particular on written confirmation from a regulated financial intermediary, provided the financial intermediary confirms that to the best of its knowledge and having ascertained the qualifications of the investors in its books through processes or regular audits, the investors in its books qualify for the investment. If the custodian bank determines that the investors do not meet the criteria set out in section 5.1, it must immediately inform the fund management company.

8. The custodian bank is entitled to the remuneration stipulated in sections 18 and 19, to be released from any liabilities assumed in the proper performance of its duties and to be reimbursed for expenses incurred in connection with such liabilities.

9. The custodian bank, its agents and related individuals and legal entities may not acquire any real estate assets from the real estate fund or assign any such assets to the fund.

The supervisory authority may, in justified individual cases, approve exceptions to the ban on related party transactions, provided that the exception is in the interests of investors and that in addition to the valuation from the real estate fund's permanent valuation experts, the market conformity of the purchase and sale price of the real estate asset and the transaction costs is confirmed by a valuation expert independent of the permanent valuation experts and their employer and of the fund management company and the custodian bank of the real estate fund.

As part of its audit of the real estate fund, the external auditor confirms compliance with the special fiduciary duty for real estate investment by the fund management company.

§ 5 Qualified investors

1. The investor base is restricted to qualified investors within the meaning of Art. 10 para. 3 and 3ter CISA in conjunction with Art. 4 paras. 3–5 and Art. 5 para. 1 Federal Act on Financial Services (FinSA).

   The fund management company, together with the custodian bank, ensures that investors meet the requirements related to the investor group.

2. On conclusion of the contract and payment in cash, investors acquire a claim against the fund management company for an interest in the real estate fund's assets and income. Instead of paying in cash, a contribution in kind may be made at the request of the investor and with the consent of the fund management company in accordance with the provisions of Section 17.8. An investor's claim is evidenced in the form of units.

3. Investors are obliged to make payments to the real estate fund only for the share to which they have subscribed. They are not personally liable for the liabilities of the real estate fund.

4. Investors may ask the fund management company at any time for information about the basis on which the net asset value per unit is calculated. The fund management company will at any time provide more detailed information about individual transactions of the fund management company, such as the exercise of membership and creditors' rights, risk management or contributions in kind, to any investor claiming an interest in such matters. Investors may request at the court with jurisdiction at the fund management company's registered office that the external auditor, or another entity with appropriate expertise, investigate and report on any matters requiring clarification.

5. Investors may terminate the fund contract at the close of a financial year by giving 12 months' notice and request payment of their share of the real estate fund in cash. The first possible date for notice of termination is 30 September 2022, with effect from 30 September 2023.

   Under certain conditions, the fund management company may repay the proceeds of units redeemed during a financial year ahead of schedule at the close of that year (cf. section 17.2).

Both scheduled and early redemption must take place within a maximum of four months of the close of the financial year.

6. On request, investors are obliged to prove to the fund management company, the custodian bank and its agents that they meet or continue to meet the statutory or fund contractual requirements for participation in the real estate fund. They are furthermore obliged to inform the custodian bank,the fund management company and its agents immediately if they no longer meet these requirements.

7. An investor's units must be compulsorily redeemed at the respective redemption price by the fund management company, in cooperation with the custodian bank, if:

   a) this is necessary in order to safeguard the reputation of the financial centre, in particular to combat money laundering;

   b) the investor no longer meets the legal or contractual requirements for participation in this real estate fund.

8. An investor's units may also be compulsorily redeemed at the respective redemption price by the fund management company, in cooperation with the custodian bank, if:

   a) the investor's participation in the real estate fund is likely to materially impair the economic interests of the other investors, in particular if their participation could cause tax disadvantages for the real estate fund in Switzerland or abroad;

   b) the investor has acquired or holds units in breach of the provisions of a domestic or foreign law applicable to them, this fund contract or the prospectus;

   c) the economic interests of investors are adversely affected, in particular in cases where individual investors attempt to achieve pecuniary advantage by systematically subscribing and then immediately redeeming units to exploit time differences between determination of the closing prices and valuation of the fund assets (market timing).

§ 6 Units and unit classes

1. The fund management company may create, cancel or combine different unit classes at any time with the consent of the custodian bank and the approval of the supervisory authority. All unit classes entitle the holder to participate in the undivided assets of the fund, which are not segmented. This participation may differ due to class-specific costs, distributions or income, and the net asset value per unit may therefore vary from class to class. Any class-specific costs charged will be met by the aggregate assets of the real estate fund.

2. The creation, cancellation or merger of unit classes will be announced in the real estate fund's official publication. Only mergers are deemed to be an amendment of the fund contract within the meaning of section 26.

3. The various unit classes may differ in terms of cost structure, reference currency, currency hedging, distribution or reinvestment of income, minimum investment and investor group.

   Remuneration and costs are charged only to the unit class that benefits from the services they cover. Remuneration and costs that cannot be clearly allocated to a unit class are charged to the individual unit classes in proportion to the fund assets.

4. The real estate fund is currently not sub-divided into unit classes.

5. The units are held in book-entry form in the name of the investor and are not certificated. Investors are not entitled to request delivery of a unit certificate.

6. The custodian bank and fund management company are obliged to ask investors who no longer meet the requirements of a unit class to redeem their units within 30 calendar days pursuant to section 17, to transfer them to a person who meets the stated requirements or to exchange them for units of another class of the relevant sub-fund, the requirements of which they meet. If the investor fails to comply with this demand, the fund management company must carry out a compulsory transfer into another unit class of the respective sub-fund, or where this is not possible carry out a compulsory redemption of the units concerned pursuant to section 5.7. In the interests of all investors, the fund management company may postpone compulsory redemption of the units until the next redemption date at the latest.

III Investment policy guidelines

A Investment principles

§ 7 Compliance with investment regulations

1. In selection of the individual investments and implementation of the investment policy pursuant to section 8, the fund management company will observe the principles and percentage limits set out below (see section 15) in order to ensure a balanced risk distribution. These relate to the fund assets at fair value and must be complied with at all times. This real estate fund must comply with the investment limits for two years following expiry of the subscription period (inception).

2. If the limits are exceeded due to market changes, the investments must be restored to the permitted level within a reasonable period of time, while safeguarding the interests of investors.

§ 8 Investment policy

1. In principle, the fund invests directly in real estate assets throughout Switzerland. The fund invests preferably in commercial properties with a high degree of tenant diversification and/or tenants with a high credit rating and reputation. The long-term focus of use will be on office and retail space. Other uses may be added in a subordinate role. Properties with residential use are not a focus but may be acquired, particularly if their potential for conversion and use can be exploited to add value. Project developments are generally permitted. Through a proactive approach (e.g. repositioning, cost management, conversion, development, enhancement, restructuring of rental agreements, etc.), the fund management company identifies and converts potential for value growth at an early stage.

2. The following are permitted as investments of this real estate fund:

   a) Properties and accessories
   Properties include:
      i. Commercial properties
      ii. Mixed-use buildings
      iii. Residential buildings; i.e. properties used for residential purposes (apartments, student apartments, micro-living, hotels, retirement and nursing homes, etc.)
      iv. Special-purpose properties (publicly used properties, hospitals, schools, logistics, light industrial, etc.)

v. Condominium ownership
vi. Building land (including properties for demolition) and buildings under construction; undeveloped properties must be accessible and suitable for immediate development and must have a legally binding building permit for their development. It must be possible to start construction work before validity of the respective building permit expires.
vii. Undeveloped properties without a building permit in the construction zone and which are to be developed through development projects
viii. Properties with building rights (including buildings and building easements)

Ordinary co-ownership of properties is permissible, provided that the fund management company can exercise a controlling influence; i.e. if it holds the majority of the co-ownership shares and votes.

b) Participations in and claims against real estate companies, the sole purpose of which is to acquire, sell, let or lease their own properties, provided that at least two thirds of their capital and votes are combined in the real estate fund;

c) Units in Swiss real estate funds and real estate investment companies with registered office in Switzerland that are traded on a stock exchange or other regulated market open to the public.

Subject to section 19, the fund management company may acquire units in target funds managed directly or indirectly by the fund management company itself or by a company with which it is affiliated through common management or control or by a direct or indirect shareholding.

e) Mortgage notes and other contractual mortgage liens.

The properties must be entered in the land register in the name of the fund management company with a note indicating that they belong to the real estate fund.

3. The fund management company may arrange for buildings to be constructed for the account of the fund. In such an event, it may, for the time required for preparation, construction or renovation, credit the income statement of the real estate fund with a market rate of interest for building land and buildings under construction, provided costs do not exceed the estimated market value.

4. The fund management company provides appropriate liquidity management. The details will be disclosed in the prospectus.

5. The fund management is committed to an **ESG-integrated** approach and pursues a sustainable investment policy. When selecting and managing investments, environmental (E), social (S) and governance (G) aspects – collectively referred to as ESG criteria – are adequately taken into account in all phases of the real estate investment process (acquisition of existing properties, project developments, construction/modification/refurbishment projects, portfolio and asset management).

   By committing to the ESG-integrated approach, the real estate fund aims to systematically and continuously optimise the (existing) properties in terms of ESG performance. ESG-related risks and potential are assessed and evaluated from the beginning; i.e. during the acquisition process.

The ESG-integrated approach and the resulting measures apply to the entire property portfolio (100%) of the real estate fund. This includes acquisitions and existing properties.

- The fund management's aim is for the portfolio to be climate-neutral (net zero CO2) by 2050 in terms of heat and electricity supply. To this end, it is committed to a CO2 reduction pathway that is consistent with the 1.5-degree target of the Paris Agreement and the Swiss Federal Council's goal of achieving climate neutrality by 2050.

- There is a particular focus on the reduction of Scope 1 and Scope 2 greenhouse gas emissions (GHGE) in accordance with the methodology of the Greenhouse Gas Protocol (GHG Protocol).[11] The GHG Protocol is the most widely used standard worldwide for measuring and managing greenhouse gas emissions (GHGE).

- Scope 1 emissions are direct emissions from fuels; Scope 2 emissions are indirect emissions from the purchase of district heating and electricity. Scope 3 emissions are emissions from assets owned or controlled by the tenants themselves. These are measured and documented only if the fund management receives relevant data from the tenants.

- Currently, the energy consumption of the portfolio is determined mainly on the basis of energy bills. In future, it will be measured automatically for the entire portfolio by an external service provider (e.g. Wincasa AG, Tetrag AG). The consumption values are recorded by the property managers in the energy management system.

[11] https://ghgprotocol.org/.

Measures are taken in the following areas to implement a sustainable investment policy:

Environment (E): Climate protection measures

- CO2 reduction pathway: External sustainability specialists create a CO2 reduction pathway for each property (including for all acquisitions), focusing on operational energy consumption and the energy mix in the properties. The CO2 reduction pathway follows the current CRREM[12] (Carbon Risk Real Estate Monitor) pathways with the defined 1.5-degree reduction scenario for the corresponding use in Switzerland. The CO2 reduction pathway helps to identify improvement potential and derive targeted, property-specific measures. The goal is to reduce emission intensity to net zero CO2 by 2050. The intermediate target is a reduction in emissions by up to 50 percent by 2030, and by up to 80 percent by 2040, taking 2022 as the base year. By 2050, approximately 80 percent of the required energy mix should consist of renewable energy.

- Sustainable investment planning: A 10-year strategic sustainability plan is applied for all properties. This involves external sustainability specialists (e.g. Wincasa AG) visiting all properties and drawing up a 10-year sustainable refurbishment plan, including a budget and the implications for the CO2 reduction pathway. The plan contains measures for making existing properties more sustainable.

- Refurbishment and replacement measures: Replacement of building technology components or the refurbishment of building parts that increase the energy efficiency of the building, so that less external energy has to be procured.

- Substitution measures: Investment in additional installations or measures that reduce CO2 emissions on or inside the building.

Social (S): Increasing tenant satisfaction

- Tenant satisfaction survey: To fulfil the needs and preferences of tenants, a survey is conducted by an independent organisation at least every three years to determine their satisfaction with the rental property and the property management.

Governance (G): Responsible and transparent corporate management

- Sustainability reporting: A sustainability report on the sustainability performance of the property fund, along with the goals and intermediate targets, is published for investors each year as part of the Annual Report[13]. The fund management presents the environmental indicators (coverage level, energy mix, energy consumption, energy intensity, greenhouse gas emissions, intensity of greenhouse gas emissions). The environmental indicators are determined in accordance with the guidelines of the Real Estate Investment Data Association (REIDA).[14] According to the REIDA calculation in November 2023, the coverage level at the property portfolio level is 100 percent. The achieved coverage level for future periods is mentioned in the annual reporting.

[12] https://www.crrem.eu/.
[13] https://spssolutions.swiss/dienstleistungen/swiss-prime-site-solutions-investment-fund-commercial/#c436.
[14] https://www.reida.ch/index.php/co2-benchmark.

– ESG benchmarking: The annual assessment of ESG performance in the property portfolio using GRESB[15] represents the comprehensive sustainability rating of the real estate fund. The goal is to participate in GRESB regularly in order to implement portfolio improvement measures on a continuous basis.

– PRI rating[16]: In November 2022, Swiss Prime Site Solutions AG signed up to the UN Principles for Responsible Investment (UNPRI). The aim is to participate regularly in the annual PRI rating.

Detailed explanations of the individual measures, the applied sustainability policy and the sustainability risks can be found under item 7 in the brochure.

§ 9 Securing liabilities and liquid funds

1. To secure the fund's liabilities, the fund management company must hold an appropriate portion of its assets in short-term fixed-interest securities or liquid funds. It may hold these securities and funds in the unit of account of the real estate fund, and in other currencies in which the liabilities are denominated.

2. Liabilities include loans taken out, obligations arising in the course of business and all obligations relating to redeemed units.

3. Short-term fixed-interest securities are debt securities with a term or residual term to maturity of up to 12 months.

4. Liquid funds are cash office and bank balances payable at sight or on demand with maturities of up to 12 months, and committed credit limits with a bank of up to 10% of the fund's net assets. Credit limits must be taken into account in the maximum permitted pledged amount pursuant to section 14.2.

5. Fixed-interest securities with a term or residual term to maturity of up to 24 months may be held to secure planned construction projects.

B Investment techniques and instruments

§ 10 Securities lending

The fund management company does not engage in securities lending.

[15] https://www.gresb.com/nl-en/.
[16] https://www.unpri.org/.

§ 11 Repurchase agreements

The fund management company does not engage in repurchase agreements.

§ 12 Derivatives

The fund management company does not use derivatives.

§ 13 Borrowing and lending

1. The fund management company may not grant loans for the account of the real estate fund, with the exception of claims against real estate companies of the real estate fund, mortgage notes and other contractual mortgage liens.

2. The fund management company may take up loans for the account of the real estate fund.

§ 14 Encumbrance of properties

1. The fund management company may pledge properties and assign liens as collateral.

2. The Swiss Financial Market Supervisory Authority FINMA has granted an exemption according to which, during the first five years since the launch of the fund, the average encumbrance of all properties may not exceed half of the market value. After five years since the launch of the fund, the average encumbrance on all properties may not exceed one third of the market value.

   In order to maintain liquidity, the encumbrance may be temporarily and exceptionally increased to half of the fair value, provided the interests of investors are safeguarded. In such a case, the external auditor must comment on the requirements under Art. 96 para. 1^{bis} CISO as part of the audit of the real estate fund.

C Investment restrictions

§ 15 Risk diversification and restrictions

1. The investments must be distributed by property, type of use, age, building structure and location.

2. The investments must be spread across at least 10 properties. Estates built on the same construction standards and adjoining plots of land are considered to be single properties.

3. The fair value of a property may not exceed 25% of the fund assets.

4. In implementation of the investment policy pursuant to section 8, the fund management company must also observe the following investment restrictions in relation to the fund assets:

   a) Building land, including buildings for demolition and construction in progress (pursuant to section 8.2 a) vi. and vii.), up to a maximum of 30%, whereby the proportion of building land without a legally binding building permit (pursuant to section 8.2 a) vii.) may not exceed 10%;

   b) Properties with building rights, up to a maximum of 30%;

   c) Mortgage notes and other contractual mortgage liens, up to a maximum of 10%;

   d) Units in other real estate funds and real estate investment companies, up to a maximum of 25%;

   e) Special-purpose buildings pursuant to section 8.2 a) iv., up to a maximum of 20%;

   f) The investments under a and b above may not exceed 40% in total;

   g) Residential buildings, i.e. properties used for residential purposes (apartments, student apartments, micro-living, hotels, retirement and nursing homes, etc.), may not exceed 50%.

IV Calculation of the net asset value; issue and redemption of units; valuation experts

§ 16 Calculation of the net asset value and appointment of valuation experts

1. The net asset value of the real estate fund is calculated at the fair value at the close of the financial year and each time units are issued, in CHF.

2. The fund management company has the fair value of the properties belonging to the real estate fund verified by independent valuation experts at the close of each financial year and, if applicable, when units are issued. To this end, the fund management company, with the approval of the supervisory authority, appoints at least two individuals or one legal entity as independent valuation experts. The valuation experts must survey the properties at least once every three years. Before property is acquired/sold, the fund management company must have it valued. A new valuation is not required for a sale where the existing valuation is no older than three months and there has been no material change in circumstances.

3. Investments traded on a stock exchange or other regulated market open to the public must be valued at the prices currently paid on the main market. Other investments or investments for which no current prices are available must be valued at the price that would probably be obtained in a prudent sale at the time of the valuation. To determine the fair value in such a case, the fund management company uses appropriate and generally accepted valuation models and principles.

4. Open-ended collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on a stock exchange or on another regulated market open to the public, the fund management company may value them in accordance with 3. above.

5. The value of short-term fixed-income securities that are not traded on a stock exchange or other regulated market open to the public is calculated as follows: the valuation of the investments is successively adjusted to the redemption price, beginning with the net acquisition price, while the investment return calculated on it is kept constant. In the event of material changes in market conditions, the valuation basis for the individual investments is adjusted to the new market return. If no current market price is available, as a rule the valuation of money market instruments with similar features (quality and registered office of the issuer, currency of issue, maturity) is used.

6. Bank balances are valued at their receivable amount plus accrued interest. In the event of material changes in market conditions or the credit rating, the valuation basis for bank deposits on demand will be adjusted in line with the new conditions.

7. The valuation of properties for the real estate fund is conducted in line with the current Asset Management Association Switzerland guidelines for real estate funds.

8. Building land and construction in progress are valued at fair value. The fund management company obtains end-of-financial-year valuations for buildings under construction reported at fair value.

9. The net asset value of a unit is the fair value of the fund assets, less any liabilities of the real estate fund and any taxes likely to fall due if the real estate fund is liquidated, divided by the number of units outstanding. It is rounded to two decimal places.

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

1. Units may be issued at any time, but only in tranches. The fund management company will first offer new units to existing investors.

   Based on the authorisation provided by the supervisory authority pursuant to Art. 10 para. 5 CISA, there is no obligation to first offer new units to existing investors in connection to contributions in kind.

2. Units will be redeemed in accordance with section 5.5. The fund management company may repay the proceeds of units redeemed during a financial year in advance at the close of that year if:

   a) the investor provides written notice to this effect;

   b) all investors who have requested early redemption are able to be satisfied.

   The fund management company also ensures regular on-exchange or over-the-counter trading of the real estate fund units trading through a bank or securities firm. The details are governed by the prospectus.

   However, when prices are set by the bank or securities firm, the market prices may differ considerably from the actual or indicative net asset values of the units. Moreover, development of market prices of the units often reflects general trends on the capital and real estate markets, not the specific performance of the real estate fund's real estate portfolio.

3. The issue and redemption prices of the units are based on the net asset value per unit calculated in accordance with section 16. At the time of issue, the ancillary costs (transfer taxes, notary fees, fees, market-aligned brokerage fees, levies, etc.) incurred by the real estate fund on average from the investment of the amount paid in are added to the

net asset value. With redemptions, the average ancillary costs incurred by the real estate fund in connection with the sale of a portion of the assets corresponding to the units redeemed are deducted from the net asset value. The applicable rate in each case is shown in the prospectus and the key information sheet. In addition, when units are issued and redeemed, the net asset value may be increased by an issue commission in accordance with section 18 or reduced by a redemption commission in accordance with section 18.

4. The fund management company may suspend the issue of units at any time and reject applications for unit subscriptions or conversions.

5. The fund management company may temporarily and exceptionally postpone redemption of units in the interests of all investors if:

   a) a market that forms the basis for the valuation of a significant portion of the fund assets is closed, or if trading on such a market is restricted or suspended;

   b) a political, economic, military, monetary or other emergency occurs;

   c) the real estate fund is unable to carry out its business due to exchange controls or restrictions on other asset transfers;

   d) large-scale unit redemptions take place that could significantly compromise the interests of the remaining investors.

6. The fund management company will immediately notify the external auditor, the supervisory authority and, in an appropriate manner, the investors of the decision to suspend redemptions.

7. No units will be issued while the redemption of units is postponed for the reasons set out in 5 a) to c) above.

8. Any investor may request that in the event of a subscription, they invest in the fund assets (contribution in kind) instead of a cash payment. The request must be submitted with the subscription. The fund management company is not obliged to allow contributions in kind. The fund management company is the sole arbiter of contributions in kind and will approve such transactions only if their execution is fully in line with the real estate fund's investment policy and does not adversely affect the interests of the other investors.

   Costs incurred in connection with a contribution in kind may not be charged to the fund assets.

In the case of contributions in kind, the fund management company shall prepare a report containing information on the individual investments transferred, the market value of these investments on the effective date of the transfer, the number of units issued or redeemed as consideration, and any fractional cash compensation. For each contribution in kind, the custodian bank shall verify compliance with the fiduciary duty by the fund management company as well as the valuation of the transferred investments and the issued or redeemed units, based on the relevant reporting date. The custodian bank shall immediately report any reservations or objections to the external auditors.

Transactions in kind are to be disclosed in the annual report.

V Remuneration and ancillary costs

§ 18 Remuneration and ancillary costs charged to investors

1. When units are issued, investors may be charged an issue commission in favour of the fund management company, the custodian bank and/or distributors in Switzerland and abroad totalling a maximum of 2.5% of the net asset value. The currently applicable maximum rate is shown in the prospectus.

2. When units are redeemed, investors may be charged a redemption commission in favour of the fund management company, the custodian bank and/or distributors in Switzerland and abroad totalling a maximum of 2.5% of the net asset value. The currently applicable maximum rate is shown in the prospectus.

3. When issuing and redeeming units, the fund management company will also charge to the fund assets the average ancillary costs incurred by the real estate fund in connection with the investment of the amount paid in or with the sale of a portion of the assets corresponding to the units redeemed (cf. section 17.3). The applicable rate in each case is shown in the prospectus.

4. Investors may be charged a commission of 0.5% on the net asset value of their units for the payment of the liquidation proceeds in the event of the real estate fund's dissolution.

§ 19 Remuneration and ancillary costs charged to the fund assets

1. The fund management company will charge the real estate fund a maximum commission of 1% p.a. of the total fund assets for management of the real estate fund, management of its assets and distribution activities relating to the real estate fund. This will be charged pro rata to the fund assets each time the net asset value is calculated and will be paid out on a quarterly basis (administrative commission, including sales commissions). The actual rate applied for the administrative commission is shown in the annual and half-year reports.

2. The custodian bank will charge the real estate fund a maximum commission of 0.05% p.a. of the total fund assets (custodian bank commission) for safekeeping the fund assets, handling payments for the real estate fund and the other custodian bank tasks listed in section 4. Payment will be made quarterly on the basis of the total fund assets at the end of the previous quarter. The actual rate applied for the custodian bank commission is shown in the annual and half-yearly reports.

3. The custodian bank will not charge the real estate fund any commission for payment of the annual income to investors.

4. The fund management company and the custodian bank are also entitled to reimbursement of the following expenses incurred by them in execution of the fund contract:

   a) Costs for the purchase and sale of investments, namely customary brokerage fees, commissions, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;

   b) fees paid to the supervisory authority for the foundation, modification, liquidation, merger or consolidation of the real estate fund or any sub-funds;

   c) annual fee paid to the supervisory authority;

   d) fees paid to the external auditor for the annual audit and for certificates in connection with the foundation, modification, liquidation, merger or consolidation of the real estate fund or any sub-funds;

   e) fees paid to legal and tax advisers in connection with the foundation, modification, liquidation, merger or consolidation of the real estate fund, and for general representation of the interests of the real estate fund and its investors;

   f) costs of publication of the net asset value of the real estate fund, together with all costs for provision of notices to investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the fund management company;

   g) costs of printing of legal documents and the real estate fund's annual and half-year reports;

   h) costs of any registration of the real estate fund with a foreign supervisory authority, specifically commissions levied by the foreign supervisory authority, translation costs and compensation paid to the representative or paying agent abroad;

   I) costs relating to the exercise of voting rights or creditors' rights by the real estate fund, including fees paid to external advisers;

   j) costs and fees relating to intellectual property registered in the name of the real estate fund or with rights of use by the real estate fund;

k) all costs incurred in connection with any exceptional measures undertaken by the fund management company, the asset manageror the custodian bank in the interests of investors.

5. In addition, the fund management company and the custodian bank are entitled to reimbursement of the following expenses incurred by them in executing the fund contract:

a) costs of buying and selling real estate investments, specifically standard brokerage commissions, fees of advisers, lawyers and notaries and other fees and taxes;

b) standard brokerage fees paid to third parties in connection with first-time lettings of real estate;

c) standard costs for the management of properties by third parties;

d) property expenses, in particular maintenance and operating costs, including insurance costs, public charges and the costs of general and infrastructure services, provided these are standard expenses and not borne by third parties;

e) fees paid to independent valuation experts and any other experts for clarifications serving the interests of investors;

f) consultation fees and procedural costs for the general representation of the interests of the real estate fund and its investors.

6. The fund management company may charge a commission for its own efforts in connection with the following activities, provided that the activity is not performed by third parties:

a) a maximum of 2% of the purchase or sale price for the purchase and sale of real estate; compensation of up to 2% can also be charged for acceptance of real estate and properties (contributions in kind). Purchase and sales commissions paid to external brokers are charged separately.

b) construction, renovation and alteration of buildings, up to a maximum of 9% of construction costs.

c) maximum of 5% of annual gross rental income for management of properties.

7. The costs, fees and taxes in connection with the construction of buildings, renovations and conversions (namely customary planners' and architects' fees, building permit and

connection fees, costs for the granting of easements, etc.) are added directly to the prime costs of the real estate investments.

8. The costs according to section 4a and section 5a are directly added to the cost value or deducted from the sales value.

9. Payments made by the real estate companies to board members, executive management and employees are to be taken into account in the fees to which the fund management company is entitled under section 19.

10. Pursuant to the provisions in the prospectus, the fund management company and its agents may pay retrocessions to cover distribution activities in respect of fund units and discounts in order to reduce the fees and costs attributable to investors and charged to the real estate fund.

11. If the fund management company acquires units in other collective investment schemes managed directly or indirectly by the fund management company itself or by a company with which it is affiliated through common management or control or by a significant direct
or indirect interest ("affiliated target funds"), it may not charge any issue or redemption commissions of the affiliated target funds to the real estate fund.

VI Financial statements and audits

§ 20 Financial statements

1. The real estate fund's unit of account is CHF.

2. The financial year runs from 1 October to 30 September.

3. The fund management company will publish an audited annual report for the real estate fund within four months of the close of the financial year.

4. The fund management company will publish a half-year report within two months of the close of the first half of the financial year.

5. The foregoing is subject to the investor's right to obtain information in accordance with section 5.4.

§ 21 Audits

The external auditors will examine whether the fund management company and the custodian bank have acted in compliance with statutory and contractual directives and the code of professional ethics of the Asset Management Association Switzerland applicable to them. The annual report will contain a short report by the external auditors on the published annual financial statements.

VII Appropriation of net income and distributions

§ 22

1. The net income of the real estate fund will be distributed to investors annually within four months of the close of the financial year in CHF.

   The fund management company may make additional interim distributions from the income.

   Up to 30% of the net income can be carried forward to a new account. A distribution can be waived and the entire net income can be carried forward to a new account if:

   — the net income of the current financial year and the income carried forward from earlier financial years of the real estate fund amounts to less than 1% of the net asset value of the real estate fund;

   — the net income of the current financial year and the income carried forward from earlier financial years of the real estate fund amounts to less than one unit of the real estate fund's unit of account.

2. Capital gains realised on the sale of assets and rights may be distributed by the fund management company or retained for the purpose of reinvestment.

VIII Publications of the real estate fund

§ 23

1. The official publication of the real estate fund is the print or electronic medium specified in the prospectus. A change in the official publication must be notified in the official publication.

2. In particular, the official publication will include notices on any material amendments to the fund contract in summary form, indicating the location where the full wording of such amendments may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, liquidation or merger of unit classes and the liquidation of the real estate fund. Amendments required by law that do not affect the rights of investors or which concern only matters of form may be exempted from the duty of disclosure, subject to the approval of the supervisory authority.

3. Each time units are issued or redeemed, the fund management company shall publish the issue and redemption prices or the net asset value, together with the mention ‘excluding commission’, in the official publication specified in the prospectus. Prices are published at least once a month.

4. The prospectus with integrated fund contract, the key information sheet and the respective annual and half-year reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

IX Restructuring and dissolution

§ 24 Merger

1. Subject to the agreement of the custodian bank, the fund management company may merge real estate funds through transfer of the assets and liabilities of the real estate fund(s) to be acquired to the acquiring real estate fund. The investors of the real estate fund to be acquired will receive a corresponding number of units in the acquiring real estate fund. Any fractional units will be paid out in cash. The real estate fund to be acquired will be dissolved without liquidation when the merger takes place, and the fund contract of the acquiring real estate fund will also apply to the real estate fund acquired.

2. Real estate funds may be merged only if:

   a) the applicable fund contracts provide for such merger;

   b) they are managed by the same fund management company;

   c) the following provisions of the applicable fund contracts are essentially identical in terms of:

   — investment policy, investment techniques, risk diversification and the risks associated with the investment;

   — appropriation of net income and capital gains;

   — type, value and method of calculation of any remuneration, issue and redemption commission and ancillary costs relating to the purchase and sale of investments (brokerage, fees, duties) that may be charged to the fund's assets or the investors;

   — conditions of redemption,

   — term of the contract and requirements for dissolution;

   d) the valuation of the assets of the real estate funds concerned, the calculation of the exchange ratio and the transfer of assets and liabilities take place on the same date;

   e) no costs are incurred by the real estate fund or the investors.

   The aforementioned is subject to the provisions pursuant to section 19.4.

3. If it is anticipated that the merger will take more than one day, the supervisory authority may authorise a temporary suspension of unit redemptions for the real estate funds concerned.

4. The fund management company must submit the proposed merger together with the merger schedule and plan to the supervisory authority for review at least one month before the planned publication of the intended changes to the fund contract. The merger schedule must contain information on the reasons for the merger, the investment policies of the real estate funds involved and any differences between the acquiring fund and the fund to be acquired, the calculation of the exchange ratio, any differences related to remunerations, any tax implications for the real estate fund, and a statement from the applicable external auditor under collective investment legislation.

5. The fund management company will publish a notice of the proposed amendments to the fund contract in accordance with section 23.2 and of the proposed merger, together with the merger schedule and plan, at least two months before the planned date in the official publications of the real estate funds concerned. Such notice must advise investors that they may lodge objections to the proposed amendments to the fund contract with the supervisory authority within 30 days of the previous publication of the notice or an announcement, or request redemption of their units in cash.

6. The external auditor must check immediately that the merger is being carried out correctly and submit a report with its comments to the fund management company and the supervisory authority.

7. The fund management company will notify the supervisory authority that the merger has been completed and publish without delay a notice to this effect, with the external auditor's confirmation of proper execution and the exchange ratio in the official publication of the real estate funds involved.

8. The fund management company must make reference to the merger in the next annual report of the acquiring real estate fund and in its half-year report, if published before the annual report. Unless the merger falls on the final day of the normal financial year, an audited closing statement must be produced for the transferring fund.

§ 25 Term of the real estate fund and dissolution

1. The real estate fund has been established for an indefinite period.

2. The fund management company or custodian bank may dissolve the real estate fund by terminating the fund contract with one month’s notice.

3. The real estate fund may be dissolved by order of the supervisory authority; for example, if the fund does not have assets of at least CHF 5 000 000 (or equivalent) no later than one year after its subscription period (inception), or a longer period specified by the supervisory authority at the request of the custodian bank and the fund management company.

4. The fund management company will immediately notify the supervisory authority of such dissolution and publish a notice to this effect in the official publication.

5. On termination of the fund contract, the fund management company may liquidate the real estate fund forthwith. If the supervisory authority orders the dissolution of the real estate fund, the fund must be liquidated immediately. The custodian bank is responsible for payment of the liquidation proceeds to investors. If the liquidation proceedings are protracted, payment may be made in instalments. Before the final payment, the fund management company must obtain authorisation from the supervisory authority.

X Amendment to the fund contract

§ 26

If any amendments are made to this fund contract, or in the event of a proposed change of fund management company or custodian bank, investors may lodge objections with the supervisory authority within 30 days of the previous publication of the notice or an announcement. In the publication, the fund management company will inform investors which amendments to the fund contract are subject to FINMA scrutiny and ruling. If the fund contract is amended, investors may also request redemption of their units in cash, subject to the contractual notice period. The foregoing is subject to the amendments set out in section 23.2, which are exempt from the duty of disclosure, subject to the approval of the supervisory authority.

XI Applicable law and place of jurisdiction

§ 27

1. The real estate fund is governed by Swiss law and in particular the Swiss Collective Investment Schemes Act 23 June 2006, the Swiss Collective Investment Schemes Ordinance of 22 November 2006 and the Collective Investment Schemes Ordinance issued by FINMA of 27 August 2014.

   The place of jurisdiction is the registered office of the fund management company.

2. The German version is binding for interpretation of the fund contract.

3. This Fund Agreement shall enter into force on 9 January 2024.

4. This fund contract replaces the fund contract dated 18 September 2023.

5. With approval of the fund contract, FINMA will examine only the provisions pursuant to Art. 35a para. 1 a-g CISO and will establish their compliance with the law.

Approved by the Swiss Financial Market Supervisory Authority FINMA on 8 January 2024.

Fund management company:
Swiss Prime Site Solutions AG, Zug

Custodian bank:
Banque Cantonale Vaudoise, Lausanne