

UBS (CH) Property Fund — Europe

Investment fund under Swiss law
(category real estate funds)

This investment fund invests solely in foreign real estate

Prospectus with integrated fund contract

Part I Prospectus

This prospectus with integrated fund contract, the key information document and the most recent annual or semi-annual report (if published after the last annual report) serve as the basis for all subscriptions of units in this real estate fund.

Only the information contained in the prospectus or the fund contract is deemed valid.

1 Information on the real estate fund

1.1 Foundation of the real estate fund in Switzerland

The fund contract of UBS (CH) Property Fund – Europe was drawn up by the fund management company UBS Fund Management (Switzerland) AG and submitted to the Swiss Financial Market Supervisory Authority FINMA with the consent of the custodian bank UBS Switzerland AG. The fund contract was first approved by FINMA in 2016.

1.2 Tax regulations relevant to the real estate fund

The real estate fund has no legal personality in Switzerland. It is essentially not subject to tax on either income or capital in Switzerland.

Real estate funds with direct property holdings are an exception. Under the Direct Federal Taxation Act, income from direct property holdings is taxed at the real estate fund itself and is therefore essentially tax-free for the unit holder. Capital gains from direct property holdings are also only taxable at the real estate fund.

The income from real estate investments in other countries is subject to income tax under the applicable national tax law, regardless of whether the assets are held directly or indirectly. Under the relevant double taxation treaties Switzerland has entered into with other European countries, the right to tax income from property holdings allotted to the country where the property is located.

Income from direct property holdings in Switzerland and abroad is exempt at the level of investors domiciled in Switzerland. The income from the part of the fund's assets invested in short-term fixed income securities or other short-term liquid assets to secure liabilities is not exempt, nor is any other income from units in the real estate fund (corresponding to capital gains such as dividends and interest payments from foreign real estate companies).

Income and capital gains realised outside Switzerland may be subject to the relevant withholding tax deductions imposed by the country of investment. Insofar as is possible, these taxes will be reclaimed by the fund management company on behalf of investors domiciled in Switzerland under the terms of double taxation treaties or other such agreements. Fund income is generally subject to Swiss withholding tax (tax at source) of 35%, regardless of whether it is distributed or reinvested (accumulated); however, income from directly held Swiss and foreign property is not subject to withholding tax as the fund is already subject to tax.

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

This tax information is based on the current legal situation and practice in Switzerland. It is expressly subject to changes in legislation, the decisions of the courts and the decrees and practices of the tax authorities.

This real estate fund has the following tax status:

International automatic exchange of information in tax matters (automatic exchange of information)

For the purposes of the automatic exchange of information in accordance with the Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) of the Organisation for Economic Co-Operation And Development (OECD), this real estate fund qualifies as a non-reporting financial institution.

FATCA

The real estate fund is registered with the US tax authorities as a Registered Deemed-Compliant Financial Institution under a Model 2 IGA pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA").

Taxation and other tax implications for investors who hold, buy and sell fund units are defined by the relevant tax regulations in the investor's country of domicile. The tax consequences may therefore be different for different investors, depending on the country. Potential investors are therefore advised to consult their tax advisor or accountant about the tax consequences applicable to them. Under no circumstances can the fund management company or the custodian bank accept responsibility for investors' individual tax consequences from buying and selling or holding fund units.

1.3 Financial Year

The financial year runs from 1 July to 30 June.

1.4 Audit firm

The audit firm is Ernst & Young AG, Basel.

1.5 Units

Units do not take the form of actual certificates, but exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.

In accordance with the fund contract, the fund management company is entitled to create, liquidate or merge different unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority. There are currently the following unit classes:

- a) Unit class (EUR) I
- b) Unit class (CHF hedged) I

The unit classes (EUR) I and (CHF hedged) I are distributing units and are subject to the maximum management and custodian bank fee rates listed in § 19.1 and 2.

Units in unit class (EUR) I are issued and redeemed in the accounting currency of the real estate fund in euro (EUR); units in unit class (CHF hedged) I are issued and redeemed in Swiss francs (CHF). The currency risks of the unit class in Swiss francs (CHF hedged) I are largely hedged. Owing to the currency hedging, investors may not benefit from any positive moves in the exchange rate.

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

1.6 Listing and trading

The fund management company ensures the real estate fund units are traded regularly on the SIX Swiss Exchange.

1.7 Terms for the issue and redemption of units as well as trade

Units may be issued at any time. This may only be done in tranches. The fund management company offers new units to existing investors first. The fund management company specifies the intended number of new units to be issued, the subscription ratio for existing investors, the method for issuing subscription rights and the other terms in a separate prospectus.

The investors may terminate their units at the end of each financial year subject to a notice period of 12 months. Under certain conditions, the fund management company may prematurely repay units terminated during a financial year (cf. § 17.2 fund contract). If the investor wishes to be repaid prematurely, they must request this in writing at the time of termination. Ordinary as well as premature repayment will be made within three months after the end of the financial year (cf. § 5.5 fund contract).

In accordance with Art. 64 CISA and other legal decrees as well as the Asset Management Association Switzerland (AMAS)- Guidelines for Real Estate Funds (www.am-switzerland.ch), the fund's properties are valued regularly by independent appraisers accredited by the supervisory authority using a dynamic capitalised earnings method. Valuation is at the price that would probably have been obtained in a diligent sale at the time of the estimate. The market value of the properties in the fund must be reviewed by the appraiser whenever properties are bought and sold and at the end of a financial year. The market value of the individual properties represents a price that would probably be achievable in a normal transaction assuming both buyer and seller act diligently. Any opportunities which arise in individual cases, especially when buying and selling properties for the fund, will be exploited in the best interests of the fund.

This may result in deviations from valuations.

The issue price of units of a given class corresponds to the net asset value calculated for the issue, plus the incidental costs (property transfer taxes, notary costs, fees, standard brokerage fees, duties, etc.) incurred on average by the real estate fund in connection with the investment of the amount paid in, plus the issuing commission. The amount of the incidental costs and the issuing commission is specified in section 1.11 below.

The redemption price of units of a given class corresponds to the net asset value calculated for the redemption, minus the incidental costs (property transfer taxes, notary costs, fees, standard brokerage fees, duties, etc.) incurred on average by the real estate fund in connection with the sale of a portion of investments corresponding to the redeemed units, and minus the redemption commission. The amount of the incidental

costs and the redemption commission is specified in section 1.11 below.

The issue and redemption prices are rounded to EUR 0.01 or CHF 0.01.

The fund management company publishes the net asset value of the fund units at the same time as notifying the bank or securities dealer in the medium of publication.

1.8 Appropriation of income

The net income is generally distributed to the investors within four months of the close of the financial year, free of charge. Capital gains are usually not distributed, but are retained in the fund for the purpose of reinvestment.

1.9 Investment objective and investment policy of the real estate fund

1.9.1 Investment objective

The investment objective of the real estate fund is principally to achieve sustainable earnings and growth in the value of real estate holdings through a broadly diversified international real estate portfolio, based on careful handling of non-renewable resources and climate protection.

Being anchored at a normative, strategic and operative level, sustainability plays a central role in all decisions taken by the fund management company – be it in regard to the managed real estate fund, the underlying properties or the further development of the organisation.

1.9.2 Investment policy

UBS (CH) Property Fund – Europe primarily invests in office, retail, industrial and logistics properties throughout the European Union and in EFTA member states (excluding Switzerland) and in the individual member countries of the United Kingdom; investments are permitted in those countries where estimates of market value in accordance with Swiss regulations (cf. 4.2) can be ensured and in other permissible investments according to the fund contract.

The real estate fund invests in established or promising locations and when selecting properties aims for an appropriate diversification by sector, location, size and tenant (industry). The tax situation in the various countries is also taken into consideration when implementing the investment policy. The real estate portfolio is managed in line with market requirements, with the objective of optimising it through modernisation, restructuring or sales if necessary. The weighting of investments in the countries of the European Union and EFTA member states (excluding Switzerland) and in the individual member countries of the United Kingdom takes account of the size of the respective countries' economies; Germany accounts for a significant proportion. Investments also focus on the major economies of Western Europe, especially France, the United Kingdom, Italy, Scandinavia and Spain. Depending on the specific

features of each country, the fund management company may hold the real estate assets including accessories either directly or indirectly through one or more subsidiaries resp. special purpose entities in different jurisdictions in order to achieve an optimal structure. The exclusive purpose of subsidiaries is to hold investments (including subsidiaries) for the account of the real estate fund. In this context, the fund management company must exercise control over the subsidiaries in terms of purpose, control, voting rights, etc. These subsidiaries may also be structured as holding companies which in turn invest in real estate assets indirectly via property companies. Accessories may also be held via a separate subsidiary where this is required for tax, regulatory or other reasons in the countries of investment. In this context, the fund management company must exercise control over the subsidiary in terms of purpose, control, voting rights, etc.

The sustainable investment policy is implemented by **integrating** sustainability criteria, in particular with regard to resource conservation and climate protection, in investment decisions and in the management of the properties. An internal sustainability assessment is used as part of the property purchase process and for existing properties. Criteria such as ecological quality, building fabric, physical environmental risks, and efficiency measures in operation and safety are taken into account.

The fund management company has defined the following **sustainability goals** ("goal matrix") for the real estate fund:

- CO₂ emissions (kg CO₂e/m² LSS*/year): -50% by 2030 (base 2019)***
- Energy consumption (kWh**/m² LSS/year): -30% by 2040 (base 2019)***
- Renewable energy sources (share as % of portfolio): at least 50% by 2040
- Building label (including energy certificates) for properties: at least 90% by 2030
- Climate neutrality (net zero CO₂ target) of the portfolio: 100% by 2050***
- Coverage rate Data: 100% by 2030***

* LSS = Leasable Space

** kWh = kilowatt hour

*** Temporary deviations of up to 5% may occur due to transactions and projects.

The energy consumption of the entire portfolio is identified annually on the basis of the energy bills and determined on the basis of industry-standard key figures.

The consumption values are recorded by the facility management companies. A plausibility check is performed based on internal experience with a focus on identifying data gaps, errors in the distribution keys, and errors in the entries in invoices.

In addition, to compensate for weather-related factors and to reflect the effective performance of the building, the consumption values are corrected by heating-degree-day.

The relative key figures are given per Leasable Space (LSS).

On the basis of the consumption values, the LSS and taking into account the energy source, an emission intensity is calculated for each property and the entire portfolio. The methodology follows the Greenhouse Gas Protocol; this is the most widely used standard for measuring and managing greenhouse gas emissions worldwide. The GHG Protocol is used for the accounting and standardisation of measurements for reporting (www.ghgprotocol.org).

The key figures are published in the annual report of the real estate fund on the following website: <https://www.ubs.com/ch/de/asset-management/distribution-partners/investment-solutions/real-estate/products.html>

In addition, the fund management company publishes a comprehensive sustainability report each year: <https://www.ubs.com/ch/de/asset-management/distribution-partners/investment-solutions/real-estate/sustainability.html>

The publication of key figures and sustainability reporting complies with the standards of the Global Reporting Initiative (GRI), a framework for transparent sustainability reporting (www.globalreporting.org).

The aspects of sustainability are included in the entire decision-making process and implemented along the entire life cycle of the properties. The fund management company pursues the following sustainability approaches:

ESG integration

- Integration of sustainability aspects in investment decisions and in the management of properties, in particular with regard to resource conservation and climate protection; all properties are subjected to a sustainability assessment as part of the purchasing process. Criteria such as ecological quality, building fabric, physical environmental risks, efficiency measures in operation, and safety are subjected to an internal sustainability review and influence the purchasing decision. Furthermore, optimisation opportunities are systematically identified for all newly acquired properties and their implementation is reviewed in line with the real estate fund's investment planning: The fund management company reduces water consumption in properties with water-saving fixtures by using only energy and water-efficient models for appliances or by planning and constructing new buildings in accordance with the latest sustainability standards in order to improve the quality and efficiency of the use of building materials, maximise recyclability and reduce pollutant emissions.
- Decarbonisation measures for existing properties are implemented on an ongoing basis and as part of construction and renovation measures, namely by taking energy measures to improve energy efficiency and by promoting renewable energies (e.g. installation of photovoltaic systems for sustainable production of electricity from renewable energy sources and renovations to improve energy efficiency and the carbon footprint); investments in renewable heating systems; all new buildings receive

external energy certification (e.g. DGNB, LEED, BREEAM).

- Maintenance measures for existing properties by identifying optimisation measures through recording and analyzing energy consumption; further optimisation measures are identified in cooperation with the responsible property managers.

Exclusion criteria (negative screening) with respect to tenant approval and cooperation with service providers (e.g. screening of commercial tenants prior to lease signing and at lease renewal for their affiliation with non-compliant industries, such as coal, nuclear, defense, adult entertainment). Zero tolerance applies to the **exclusion criteria**.

Detailed information on the investment policy and its restrictions, is contained in the fund contract (cf. Part II, § 7–15).

1.9.3 Use of derivatives

The fund management company uses derivatives exclusively to hedge interest rate, currency, credit and market risks. However, even in exceptional market conditions, these may not result in a deviation from the investment objectives or a change in the investment character of the fund. Commitment Approach I is applied to the assessment of risk. The use of derivatives is restricted to positions which reduce exposure and the economic effect is similar to selling an underlying asset or reducing a liability (loan).

Because of the risk assessment approach used, the use of derivatives does not result in the fund assets being leveraged, neither do they correspond to a short sale.

The fund management company must be in a position at all times to meet its delivery and payment obligations arising from derivatives from the fund assets in accordance with the legislation on collective investment schemes. Only basic types of derivatives may be used. These are described in more detail in § 12 of the fund contract. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading. The overall conditions to be observed in connection with OTC derivatives are set out in § 12 of the fund contract.

The collateral strategy for transactions in derivative financial instruments is as follows:

Counterparty risks may occur in connection with transactions in derivative financial instruments. These risks are minimized as follows:

Extent of collateralisation:

The collateralisation of derivatives transactions is based on the relevant rules for settling such types of transaction. Derivatives transactions settled centrally are always collateralised. The extent and amount are based on the respective regulations of the central counterparty or clearing house.

The value of the collateral exchanged must always be at least equivalent to the replacement value of the

derivatives transactions outstanding. For derivatives transactions not settled centrally, the fund management company or its agents may enter into mutual collateralisation agreements with the counterparties. Individual items of collateral may also be valued at a discount. This discount is based on the volatility of the markets and the likely ease of realising the collateral.

The following types of collateral are permitted:

- Equities traded on an exchange or other market open to the public which have a high level of liquidity and are included in a benchmark index.
- ETFs in the form of securities funds, other funds for traditional investments under Swiss law or UCITS, are deemed equivalent to equities if they track an above index and replicate it physically. Swap-based, synthetically replicating ETFs are not permitted.
- Bonds traded on an exchange or other market open to the public where the issuer has a first-class credit rating. No rating is required for government bonds issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Tradeable treasury bills and notes with a government guarantee are deemed equivalent to government bonds if the government or issuer has a first-class rating or they are issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Money market funds which meet the AMAS or CESR Guidelines for Money Market Funds and can be redeemed daily, and where the investments are of high quality or are classified as first-class by the fund management company.

Cash in a freely convertible currency.

Safety margins

The following minimum discounts (% deduction from market value) apply to the collateralisation of derivatives not settled centrally, provided a collateralisation agreement has been entered into with the counterparty:

Cash	0%
Government bonds with a residual term of up to 1 year	1-3%
Government bonds with a residual term of 1 to 5 years	3-5%
Government bonds with a residual term of 5 to 10 years	4-6%
Government bonds with a residual term of over 10 years	5-7%

Cash collateral may be reinvested as follows and with the following risks:

Cash collateral must always be reinvested in the same currency as the collateral is received in.

The fund management company monitors the risks from reinvesting cash collateral regularly. These investments are nevertheless subject to credit risk and the value can be impacted by fluctuations. A degree of liquidity risk also cannot be ruled out.

1.10 Net asset value

The net asset value of the real estate fund is calculated in euro at the market value as at the end of the financial year and whenever units are issued.

The net asset value of a unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class and any taxes likely to be incurred should the real estate fund be liquidated, divided by the number of units of that class in circulation. This is rounded to EUR 0.01.

1.11 Fees and incidental costs

1.11.1 Fees and incidental costs charged to the fund assets (excerpt from § 19 of the fund contract)

Units in unit class (EUR) I: Management fee charged by the fund management company	a maximum of 1.5% p.a.
Units in unit class (CHF hedged) I: Management fee charged by the fund management company	a maximum of 1.5% p.a.

The fee is used to cover the administration of the Fund and the property companies as well as the portfolio management of the real estate fund.

This fee is also used to cover the remuneration of the following services provided by third parties:

- Selected portfolio management functions
- Asset Management

The management fee charged by the fund management company is also used to pay rebates in accordance with 1.11.3 of the prospectus.

Units in unit class (EUR) I: Custodian bank fee	a maximum of 0.1% p.a.
Units in unit class (CHF hedged) I: Custodian bank fee	a maximum of 0.1% p.a.

The fee covers the tasks of the custodian bank such as the safekeeping of the fund assets, the handling of payment transactions, and the performance of the other tasks listed under § 4 of the fund contract.

Furthermore, the other fees and incidental costs listed under § 19 of the fund contract may also be charged to the real estate fund.

The rate of the management company fee and the custodian bank fee actually charged is stated in the annual and semi-annual report.

1.11.2 Total Expense Ratio

The coefficient of the entire costs charged to the fund assets on an ongoing basis (total expense ratio, TER) was:

Financial Year	(TER ^{REF}) - GAV	(TERREF) - MV (Market Value)
2018/2019		
Unit Class (EUR) I	n/a	n/a
Unit Class (CHF hedged) I	0.5%	n/a
2019/2020		
Unit Class (EUR) I	n/a	n/a
Unit Class (CHF hedged) I	0.980%	n/a
2020/2021		
Unit Class (EUR) I	n/a	n/a
Unit Class (CHF hedged) I	0.83%	n/a
2021/2022		
Unit class (EUR) I	n/a	n/a
Unit class (CHF hedged) I	0.88%	n/a

1.11.3 Payment of retrocessions and rebates

The fund management company and its agents do not pay retrocessions as remuneration for distribution activity in respect of fund units in Switzerland.

The fund management company and its agents may on request pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are allowed provided

- they are paid from fees charged by the fund management company and therefore do not represent an additional charge to the fund assets;
- all investors who meet these objective criteria and request rebates are also granted these within the same timeframe and to the same extent on the basis of objective criteria.

The objective criteria for the granting of rebates by the fund management company are as follows:

- a) the minimum investment in the real estate funds referred to as "UBS (CH) Property Fund" and "Residentia"; Rebates may only be claimed for holdings in "UBS (CH) Property Fund" and "Residentia" in which the investor is the sole legal and beneficial owner and which they do not hold or invest for third parties. This is also the case if an investor holds their portfolio of "UBS (CH) Property Fund" and "Residentia" via

various custody accounts (including with third-party banks) and/or mandates within and outside UBS. However, the joint provision of the minimum investment ("aggregation" or "addition") in the real estate funds designated as "UBS (CH) Property Fund" and "Residentia" is allowed in the following, definitively cited cases and is decisive for the calculation of the corresponding rebate (rebates cannot be aggregated):

- Companies domiciled in Switzerland that belong to the same group pursuant to Art. 963 of the Swiss Code of Obligations (capital and voting control, tax groups), including the company's own pension fund, the purpose of which is to provide occupational benefits, the single-investor fund(s) established specifically for the pension fund, whose beneficial owner is exclusively this aforementioned pension fund, and the assets managed on behalf of this pension fund by an asset manager under a mandate, whose beneficial owner is exclusively this aforementioned pension fund. This aggregation also includes the pension assets the company's own pension fund has contributed to a collective foundation or that are managed by a collective foundation. Not entitled to a rebate are other "pooling-eligible" solutions/vehicles with or without their own legal personality or investment solutions that exist on the basis of a contractual relationship, asset management units and/or fund management companies that belong to the same group pursuant to Art. 963 of the Swiss Code of Obligations and can set up "pooling-eligible" solutions/vehicles and their "pooling-eligible" solutions/vehicles;
- Insurance companies domiciled in Switzerland that belong to the same group pursuant to Art. 963 of the Swiss Code of Obligations (capital and voting control, tax groups), including the single-investor fund(s) established specifically for the respective insurance company, whose beneficial owner(s) is/are exclusively this/these insurance company(ies), and the assets managed on behalf of this insurance company by an asset manager within the scope of a mandate, whose beneficial owner is exclusively the insurance company. Also included are the company's own pension fund, the purpose of which is to provide occupational benefits, the single-investor fund(s) established specifically for the pension fund, whose beneficial owner is exclusively the aforementioned pension fund, and the assets managed on behalf of this pension fund by an asset manager under a mandate, whose beneficial owner is exclusively the aforementioned pension fund. This

aggregation also includes the pension assets that the company's own pension fund has contributed to a collective foundation or that are managed by a collective foundation. Not entitled to a rebate are other "pooling-eligible" solutions/vehicles with or without their own legal personality or investment solutions that exist on the basis of a contractual relationship, asset management units and/or fund management companies that belong to the same group pursuant to Art. 963 of the Swiss Code of Obligations and can set up "pooling-eligible" solutions/vehicles and their "pooling-eligible" solutions/vehicles;

- Pension funds the purpose of which is to provide occupational benefits including the single-investor fund(s) established specifically for the pension fund, whose beneficial owner is exclusively the aforementioned pension fund, and the assets managed on behalf of this pension fund by an asset manager under a mandate, whose beneficial owner of is exclusively the aforementioned pension fund. Not entitled to a rebate are other "pooling-eligible" solutions/vehicles with or without their own legal personality or investment solutions that exist on the basis of a contractual relationship, asset management units and/or fund management companies that belong to the same group pursuant to Art. 963 of the Swiss Code of Obligations and can set up "pooling-eligible" solutions/vehicles and their "pooling-eligible" solutions/vehicles.

- b) the existence of a written agreement entered into with UBS, such as a rebate agreement that governs the other remaining details.

The criteria listed under a) and b) must both be met. Collective investment schemes, fund management companies and other "pooling-eligible" solutions/vehicles with or without their own legal personality, and investment solutions that exist on the basis of a contractual relationship that invest in these real estate funds may not request rebates, with the exception of single-investor funds falling within the definition of a) above.

At the request of the investor, the fund management company must disclose the amounts of such rebates free of charge.

1.11.4. Fees and incidental costs charged to the investor (excerpt from § 18 of the fund contract)

Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland on issue of units in unit class (EUR) a maximum of 5%

Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland on issue of units in unit class (CHF hedged) a maximum of 5%

Redemption commission accruing to the fund management company, custodian bank and/or distributors in Switzerland on redemption of units in unit class (EUR) a maximum of 2%

Redemption commission accruing to the fund management company, custodian bank and/or distributors in Switzerland on redemption of units in unit class (CHF hedged) a maximum of 2%

1.11.5. Incidental costs accruing to the fund assets in connection with the investment of the amount paid in or with the sale of investments (excerpt from § 17 and § 19 of the fund contract)

Surcharge on net asset value: a maximum of 5 %

Deduction from net asset value: a maximum of 5 %

1.11.6 Commission sharing agreements and soft commissions

The fund management company has not concluded commission sharing agreements.

The fund management company has not concluded agreements in respect of soft commissions.

1.11.7 Investments in related collective investment schemes

In accordance with § 19.10 of the fund contract, no issuing and redemption commissions are charged in respect of investments in other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a significant direct or indirect interest.

1.12. Access to documents

The prospectus with integrated fund contract, the key information document, and the annual or semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

1.13 Legal form of the investment fund

UBS (CH) Property Fund – Europe is an investment fund under Swiss law of the "real estate fund" type in

accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).

The fund is based upon a collective investment agreement (fund contract), under which the fund management company undertakes to provide the investor with a stake in the real estate fund in proportion to the fund units acquired by the said investor, and to manage this real estate fund at its own discretion and for its own account in accordance with the provisions of law and the fund contract. The custodian bank is party to the fund contract in accordance with the tasks conferred upon it by the law and the fund contract.

1.14 The material risks

The following list of risks is not exhaustive.

Risk of real estate:

General information:

The material risks associated with this real estate fund are the dependency on economic trends, changes in the European real estate market and location-specific features (e.g. law and taxes, exchange rate, political stability and potentially associated difficulty in enforcing rights and obligations), limited liquidity, interest rate changes, environmental risks/legacy contamination, competition and pricing.

These specific risks also apply when investing in real estate assets held by property companies. It must further be noted that when interests in property companies are acquired, these may be affected by obligations which are hard to identify.

The real estate fund is also exposed to sustainability-related risks (see paragraph below). The occurrence of the aforementioned risks may have actual or potential material adverse effects on the value of the investments and thus on the net assets, financial position and results of operations as well as the reputation of the real estate fund.

The aforementioned risks cannot be completely excluded.

Risks in performance:

The performance of real estate investments is affected by many factors beyond the control of the fund management company and the custodian bank. Examples include unfavorable changes in the economic environment, unfavorable local market conditions and risks associated with acquiring, financing, owning, operating and selling properties. Real estate investments are valued by accredited appraiser at the price that would probably be achieved if sold diligently at the time of the appraisal. The market value of the individual properties represents a price that would probably be achievable in a normal transaction assuming both buyer and seller act diligently. Any opportunities which arise in individual cases, especially when buying and selling properties for the fund, will be exploited in the best interests of the fund. This may result in deviations from valuations.

Risks arising from limited market liquidity:

Depending on the market situation, real estate investments can be largely illiquid. There may be no actual market for such investments under some circumstances. There is therefore no guarantee for each property that there will be any demand for it at the time it needs to be sold.

Risks from debt financing:

The real estate fund will partly finance its property investments with debt. The use of debt increases investments' susceptibility to unfavorable economic factors such as rising interest rates, an economic downturn or a deterioration in a property investment or the market for it.

Sustainability-related risks:

Currently, there is no standardised definition of sustainability in Switzerland ("sustainability taxonomy"). In connection with the sustainability criteria, there is a risk that they will not be consistent with a possible future sustainability taxonomy.

Climate change and its effects pose potential financial risks. Financial-related climate risks can be divided into two categories: physical risks and transition risks. Physical risks exist if, for example, damage to real estate increases due to climate-related natural disasters. Transition risks arise, for example, due to intervening climate policy measures. The effects of physical risks, for example, are covered as far as possible by natural hazards insurance.

At the same time, the sustainability criteria defined by the fund management company (see above) enable the reduction of transition risks by measuring the energy consumption of the portfolio and reporting it on the basis of defined key figures (see cf. 1.9.2 of the prospectus).

Furthermore, as part of its investment process, the fund management company incorporates the relevant sustainability-related risks into its investment decision and evaluates them on an ongoing basis.

1.15 Liquidity risk management / Information on the liquidity management process

In accordance with the applicable provisions of the fund contract, investors may terminate their units at the end of each accounting year, subject to a notice period of 12 months. Accordingly, the Fund Management Company identifies, monitors and reports on the liquidity risks of the Real Estate Fund assets with regard to the redemption of units or the net outflow of assets. The instruments and models used allow the analysis of various scenarios and stress tests.

2 Information on the fund management company

2.1 General information on the fund management company

The fund management company is UBS Fund Management (Switzerland) AG, Basel. It has been active in the

fund business since its formation as an Aktiengesellschaft (joint-stock company) in 1959.

2.2 Further information on the fund management company

As at 31 December 2022, the fund management company managed a total of 407 securities funds and 8 real estate funds in Switzerland with assets totalling CHF 302,081 million.

Furthermore, the fund management company provides the following specific services:

- Administration services for collective investment schemes
- Representation of foreign collective investment schemes

2.3 Board of Directors and Executive Board

Board of Directors

- Michael Kehl, President, Managing Director, UBS Asset Management Switzerland AG, Zurich
- Dr Daniel Brüllmann, Vice Chairman, Managing Director UBS Asset Management Switzerland AG, Zurich
- Francesca Gigli Prym, Member, Managing Director, UBS Fund Management (Luxembourg) S.A., Luxembourg
- Dr Michèle Sennhauser, Member, Executive Director, UBS Asset Management Switzerland AG, Zurich
- Franz Gysin, Independent Member
- Werner Strelbel, Independent Member

Executive Board

- Eugène Del Cioppo, Managing Director
- Georg Pfister, Deputy Managing Director and Head of Process, Platform, Systems and Head of Finance, HR
- Urs Fäs, Head of Real Estate Funds
- Christel Müller, Head of Corporate Governance & Change Management
- Thomas Reisser, Head of Compliance

2.4 Subscribed and paid-up capital

The subscribed share capital of the fund management company amounts to CHF 1 million. The share capital is divided into registered shares and has been fully paid up. UBS Fund Management (Switzerland) AG is a wholly owned subsidiary of UBS Group AG.

2.5 Delegation of specific tasks

The following subtasks have been delegated:

- Selected portfolio management functions (portfolio support activities such as evaluations and due diligence work, but no activities relating to investment decisions)
- Purchase and sale of properties
- Construction and development
- Asset management (property management)

- Facility management and technical maintenance

The precise execution of the subtasks are governed by an agreement between the respective UBS entity and the fund management company (UBS Fund Management (Switzerland) AG):

- UBS Limited Nederlandse Vestiging B.V.
- UBS Immobilier (France) S.A.
- UBS Real Estate GmbH
- UBS Asset Management (Italia) SGR SpA
- UBS Europe SE, sucursal en España
- UBS Asset Management (UK) Ltd

Facility management and technical maintenance are delegated to the following companies:

Belgium	BNP Paribas Real Estate Avenue Louise 235, Louizalaan 1050 Bruxelles
Germany	Wevato GmbH Bockenheimer Landstr. 101 60325 Frankfurt
Italy	Cushman & Wakefield Via Filippo Turati 16/18 20121 Milano
The Netherlands	CBRE B.V. Anthony Fokkerweg 15 1059 CM Amsterdam
Norway	Malling & Co. Forvaltning AS Dronning Mauds gate 15 Postboks 1883 Vika 0124 Oslo
Spain	Cushman & Wakefield Passeig de Gràcia, 56 - 7ª Planta 08007 Barcelona

2.6 Exercise of membership and creditors' rights

The fund management company exercises the membership and creditors' rights associated with the investments of the funds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide investors with information on the exercise of membership and creditors' rights.

Regarding existing routine business, it is up to the fund management company whether to exercise the membership and creditors' rights itself or whether to delegate them to the custodian bank or a third party.

For all other matters that could affect the long-term interests of investors, for example when exercising membership and creditors' rights accruing to the fund management company as shareholder or creditor of the custodian bank or any other related legal entity, the fund management company shall exercise the voting right itself or give clear instructions. In such cases, it may base its actions on information it receives from the custodian bank, the portfolio manager, the company concerned, or from voting rights advisors or other third parties, or that it ascertains from the media.

The fund management company is free to waive the exercise of membership and creditors' rights.

3 Information on the custodian bank

3.1 General information on the custodian bank

The custodian bank is UBS Switzerland AG. The bank was founded in 2014 as an Aktiengesellschaft (joint-stock company) with its registered office in Zurich and on 14 June 2015 took over the private and corporate customer business booked in Switzerland and the wealth management business of UBS AG booked in Switzerland.

UBS Switzerland AG is a group company of UBS Group AG. With consolidated total assets of USD 1,104,364 million and published capital and reserves of USD 57,218 million as at 31 December 2022, UBS Group AG is financially one of the strongest banks in the world. It employs 72,597 staff around the world in a broad network of offices.

3.2 Further information on the custodian bank

As a universal bank, UBS Switzerland AG offers a wide range of banking services.

The custodian bank may transfer the safekeeping of the fund assets to third-party custodians and collective securities depositories in Switzerland, provided this is in the interests of proper safekeeping. In respect of financial instruments, such transfer may be made only to regulated third-party custodians and collective securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and collective securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question.

The use of third-party custodians and collective securities depositories means that deposited securities are no longer owned solely by the fund management company, which instead becomes only a co-owner. Furthermore, if the third-party custodians and collective securities depositories are not subject to supervision, they are unlikely to meet the organisational requirements imposed on Swiss banks. The custodian bank is liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring.

The custodian bank is registered with the US tax authorities as a Reporting Financial Institution under a Model 2 IGA pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA").

4 Information on third parties

4.1 Paying agents

The Paying agents are UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich and its branches in Switzerland.

4.2 Appraiser

With the approval of the supervisory authority, the fund management company has appointed Wüest Partner AG, Zurich as appraiser. Wüest Partner AG has many years of experience in valuing real estate and knowledge of the market. Precise details of how its remit is to be fulfilled are laid down in an agreement between UBS Fund Management (Switzerland) AG and Wüest Partner AG.

Within Wüest Partner AG, the following main responsible persons are in charge:

- Andreas Bleisch, Dr. rer. pol., dipl. Ing. ETH
- Pascal Marazzi-de Lima, dipl. Arch. ETH
- Christoph Axmann, MRICS, Master of Engineering, Certified Real Estate Investment Analyst

The appraiser may call on assistants abroad to appraise foreign properties. The appraiser ensures that the properties are valued in accordance with Swiss regulations using a dynamic capitalised earnings method. The appraiser also ensures that the assistants meet the requirements of Art. 64 para. 2 CISA and the stipulations of the supervisory authority analogously at all times. The appraiser is obliged to inform the fund management company in case they call on assistants. In addition to their ongoing review of the market value assessments provided by the appraiser and the local assistants, the fund management company may also carry out independent special on-site checks on a random basis.

5 Further Information

5.1 Useful information

Unit Class	Valor number	ISIN
(EUR) I	n/a	n/a
(CHF hedged) I	14539972	CH0145399728
Accounting currency	Euro (EUR)	

5.2 Publication of official notices by the real estate fund

Further information on the real estate fund may be found in the latest annual report or semi-annual report. The latest information can also be found on the Internet at www.ubs.com/reaalestate-switzerland.

In the event of an amendment to the fund contract, a change of the fund management company or the custodian bank, as well the dissolution of the real estate fund, the corresponding notice will be published by the fund management company with Swiss Fund Data AG (www.swissfunddata.ch).

The net asset value is published for each day on which units are issued or redeemed. Net asset values are available at any time from Swiss Fund Data AG (www.swissfunddata.ch) and are updated annually once the audited annual financial statements are available.

5.3 Insurance of property

As a general rule, the properties owned by this real estate fund are insured in the event of fire and water damage and damages that are attributable to causes under civil liability law. Shortfalls in rental income that occur as a result of fire and water damage are included in this insurance cover. However, earthquake damage and its consequences are not included in this insurance cover.

5.4 Sales restrictions

Units of this real estate fund may not be offered, sold or delivered within the United States, or to investors who are US persons. A US person is someone who:

- (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of
- (ii) 1986, as amended, and the Treasury Regulations promulgated thereunder;
- (iii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iv) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (v) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
- (vi) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in this real estate fund.

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

6 Further investment information

6.1 Profile of the typical investor

The real estate fund is suitable for investors who have a long-term investment horizon, are income-oriented and have a moderate risk appetite. The primary objective is to preserve the value of the units and offer partial protection against inflation.

7 Detailed regulations

All further information on the real estate fund, such as the method used for the valuation of the fund assets, a list of all fees and incidental costs charged to the investor and the real estate fund, and the appropriation of net income, can be found in detail in the fund contract.

Part II Fund contract

I. Basic principles

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

1. A contractual fund of the “real estate funds” category has been established under the name of UBS (CH) Property Fund — Europe (referred to below as the “real estate fund” or the “fund”) in accordance with Art. 25 et seqq. in conjunction with Art. 58 et seqq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The fund management company is UBS Fund Management (Switzerland) AG, Basel.
3. The custodian bank is UBS Switzerland AG, Zurich.

II. Rights and obligations of the contracting parties

§ 2 The fund contract

The legal relationship between the investor, on the one hand, and the fund management company and the custodian bank, on the other, is governed by the present fund contract and the applicable provisions of the legislation on collective investment schemes.

§ 3 The fund management company

1. The fund management company manages the real estate fund at its own discretion and in its own name, but for the account of the investors. In particular, it shall make all decisions relating to the issuing of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption prices of units. It exercises all rights associated with the real estate fund.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. 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 advantages.
3. The fund management company may transfer investment decisions and specific tasks to third parties, provided this is in the interests of proper management. It shall appoint only persons who have the necessary skills, knowledge and experience for this activity and who have the required licenses. It shall carefully instruct and monitor the third parties brought in.

The fund management company is responsible for the fulfillment of its supervisory duties and shall safeguard the interests of the investors when transferring tasks.

The fund management company is liable for the actions of persons to whom it has transferred tasks as for its own actions.

Investment decisions may only be transferred to portfolio managers who have the necessary authorisation.

4. The fund management company may, with the consent of the custodian bank, submit amendments to this fund contract to the supervisory authority for approval (cf. § 26).
5. The fund management company may, in accordance with the provisions set down under § 24, merge the real estate fund with other real estate funds, or may, in accordance with the provisions set down under § 25, dissolve the real estate fund.
6. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution 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 property companies owned by the real estate fund comply with the requirements of CISA and the fund contract.
8. The fund management company, its agents and related individuals and legal entities may not acquire or assign real estate assets from or to the real estate fund.
9. In justified individual cases, the supervisory authority may approve exceptions to the ban on related-party transactions if this is in investors’ interests and, in addition to the estimate of the real estate fund’s standing appraiser, an appraiser independent of this appraiser and their employer, the fund management company and the Custodian confirms that the purchase and sale price of the property and the transaction costs are in line with the market.

Once the transaction has been completed the fund management company shall draw up a report showing the individual properties bought or sold and their value on the date of purchase or sale, with the appraisal report of the standing appraiser and the report of the independent appraiser that the purchase or sale price is in line with the market as defined in Art. 32a para. 1 let. c CISO.

As part of its audit of the fund management company, the audit firm shall audit compliance with the particular duty of loyalty in real estate investments.

The fund management company shall mention any authorised related-party transactions in the annual report.

§ 4 The custodian bank

1. The custodian bank is responsible for the safekeeping of the fund assets, especially unpledged mortgage notes and shares of property companies, where this is applicable and feasible in foreign jurisdictions. It handles the issue and redemption of fund units as well as payment transfers on behalf of the real estate fund. It may arrange for accounts to be run by third parties for the ongoing administration of real estate assets.
2. The custodian bank ensures that, in the case of transactions relating to the assets of the real estate fund, the

counter value is transferred within the usual time limit. It notifies the fund management company if the counter value is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.

3. The custodian bank keeps the required records and accounts in such manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual investment funds.

In relation to assets that cannot be taken into safekeeping, the custodian bank verifies ownership by the fund management company, and keeps a record thereof.

4. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information about the collective investment schemes they hold and 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 advantages.

5. The custodian bank may delegate the safekeeping of the fund assets to third-party custodians and collective securities depositories in Switzerland, provided this is in the interests of proper safekeeping. The custodian bank verifies and monitors that the third-party custodian or collective securities depository it appoints:

- a) possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
- b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
- c) the assets received from the custodian bank are held in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the fund assets;
- d) complies with the provisions applicable to the custodian bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

The custodian bank is liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring. The prospectus contains information on the risks associated with the transfer of safekeeping to third-party custodians and collective securities depositories.

In respect of financial instruments, the delegation of safekeeping in the sense of the previous paragraph may be made only to regulated third-party custodians and collective securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and collective securities depositories is not possible, in

particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the prospectus of safe-keeping with non-regulated third-party custodians or collective securities depositories.

6. The custodian bank ensures that the fund management company complies with the law and the fund contract. It verifies that the calculation of the net asset value and of the issue and redemption prices of the units, as well as the investment decisions, are in compliance with the law and the fund contract, and that net income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the selection of investments which the fund management company makes in accordance with the investment regulations.

7. The custodian bank is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.

8. The custodian bank, its agents and associated individuals and legal entities may not take over or assign any real estate assets from or to the real estate fund.

In justified individual cases, the supervisory authority may approve exceptions to the ban on related-party transactions if this is in investors' interests and, in addition to the estimate of the real estate fund's standing appraiser, an appraiser independent of this appraiser and their employer, the fund management company and the Custodian confirms that the purchase and sale price of the property and the transaction costs are in line with the market.

As part of its audit of the fund management company, the audit firm shall confirm compliance with the particular duty of loyalty in real estate investments.

§ 5 The investors

1. There are no restrictions in terms of investor eligibility.
2. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company in respect of participation in the real estate fund's assets and income. The investor's claim is evidenced in the form of fund units.
3. Investors are obliged only to remit payment for the units of the real estate fund they subscribe. They are not held personally liable for the liabilities of the real estate fund.
4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the fund management company at any time. If investors assert an interest in more detailed information on specific business transactions effected by the fund management company, such as the exercise of membership and creditors' rights, or on risk management, they must be given such information by the fund management company at any time. The investors may request before the courts of the registered office of the fund management

company that the audit firm or another expert investigate the matter which requires clarification and furnish the investors with a report.

5. The investors may terminate the fund contract at the end of each financial year subject to a notice period of 12 months and demand that their units in the real estate fund be paid out in cash.

If units are terminated during a financial year, the fund management company may, under certain conditions, prematurely repay them after the end of that year (cf. § 17.2).

Ordinary as well as premature repayment will be made within three months of the end of the financial year.

6. The fund management company, in cooperation with the custodian bank, must make an enforced redemption of the units of an investor at the current redemption price if:
 - a) this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
 - b) the investor no longer meets the statutory or contractual conditions for participation in this real estate fund.
7. The fund management company, in cooperation with the custodian bank, may also make an enforced redemption of the units of an investor at the current redemption price if:
 - a) the participation of the investor in the real estate fund is such that it might have a significant detrimental impact on the economic interests of the other investors, in particular if the participation might result in tax disadvantages for the real estate fund in Switzerland or abroad;
 - b) the investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present fund contract or the prospectus;
 - c) there is a detrimental impact on the economic interests of the investors, in particular in cases in which individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a financial benefit by exploiting the time differences between the setting of the closing prices and the valuation of the fund assets (market timing).

§ 6 Units and unit classes

1. The fund management company may establish different unit classes and may also merge or dissolve unit classes at any time subject to the consent of the custodian bank and the approval of the supervisory authority.

All unit classes embody an entitlement to a share in the undivided assets of the fund, which are not segmented. This share may differ owing to class-specific costs or distributions or class-specific income and the various classes may therefore have different net asset values per unit. The assets of the real estate fund as a whole are liable for class-specific costs.

2. Notification of the creation, dissolution or merger of unit classes is published in the medium of publication. Only mergers are deemed a change to the fund contract pursuant to § 26.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required, and investor eligibility.

Fees and costs are charged only to that unit class for which the service in question is performed. Fees and costs that cannot be allocated unequivocally to a specific unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the fund assets.

4. There are currently two unit classes, referred to as (EUR) I and (CHF hedged) I. The unit classes (EUR) I and (CHF hedged) I are distributing units and are subject to the maximum management and custodian bank fee rates listed in § 19.1 and 19.2. Units in unit class (EUR) I are issued and redeemed in the accounting currency of the real estate fund in euro (EUR); units in unit class (CHF hedged) I are issued and redeemed in Swiss francs (CHF). The currency risks of the unit class in Swiss francs (CHF hedged) I are largely hedged. Owing to the currency hedging, investors may not benefit from any positive moves in the exchange rate.
5. Units do not take the form of actual certificates, but exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.
6. The fund management company is obliged to instruct investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17 or convert them into units of another unit class whose conditions they do meet. If an investor fails to comply with this demand, the fund management company may, in cooperation with the custodian bank, make an enforced conversion into another unit class of this real estate fund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5.6.

III. Investment policy guidelines

A Investment principles

§ 7 Compliance with investment restrictions

1. In selecting individual investments and implementing the investment policy pursuant to § 8, the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to the fund assets at market value and must be complied with at all times. This real estate fund must comply with the investment restrictions in § 15.
2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the limits relating to

derivatives pursuant to § 12 below are exceeded as a result of a change in the delta, this is to be rectified within three bank working days at the latest, taking due account of the investors' interests.

§ 8 Investment policy

1. The fund management company invests the assets of this real estate fund in real estate assets and projects in the whole of the European Union and EFTA member states (excluding Switzerland) and in the individual member countries of the United Kingdom, i.e. in land and accessories, and also in interests in and claims on real estate companies whose sole purpose is to buy and sell, rent and lease their own properties, provided at least two thirds of their capital and votes are in real estate funds.

In addition, the fund management company may use subsidiaries or special purpose vehicles in various jurisdictions for the management of the real estate fund, whose sole purpose is to hold investments for the real estate fund. Accessories may also be held via a separate subsidiary or special purpose entity ("movable property/accessory company") where this is required for tax, regulatory or other reasons in the countries of investment.

The real estate assets are primarily commercial properties (offices and properties used solely or largely for business purposes and land used for business), or mixed-use properties with a large commercial proportion.

The predominant focus of acquisitions is on office, retail, industrial and logistics properties.

UBS (CH) Property Fund – Europe may hold properties directly or indirectly.

Normal co-ownership of properties is permitted, provided the fund management company can exercise a controlling influence, i.e. it holds the majority of ownership units and votes.

2. The following investments are permissible in the real estate fund:
 - a) Properties including accessories
The following are deemed equivalent to properties entered in a Swiss land registry in the name of the fund management company or for which proof of ownership can be provided under the relevant laws in the respective jurisdictions:
 - a. Residential properties in the sense of premises used for residential purposes,
 - b. Properties used commercially
 - c. Mixed-use buildings
 - d. Condominiums
 - e. Building land (including properties to be demolished) and buildings under construction; vacant sites must be connected to utilities, be suitable for immediate construction and have a valid construction permit. Building

work must be able to commence before the construction permit expires;

- f. Leasehold properties (including buildings and easements).
 - b) Interests in and claims on real estate companies whose sole purpose is to buy and sell, rent and lease their own properties, provided at least two thirds of their capital and votes are in real estate funds;
 - c) Units in other Swiss and foreign real estate funds (including real estate investment trusts) and real estate investment companies and certificates in all currencies listed on an exchange or other regulated market open to the public. Foreign real estate funds must be subject to equivalent provisions as for Swiss real estate funds;
Subject to the provisions of § 19.10, the fund management company may acquire units in target funds managed directly or indirectly by the fund management company itself or by a company to which the fund management company is related by virtue of common management or control, or by a significant direct or indirect interest.
 - d) Mortgage notes and other contractual mortgages;
 - e) Foreign real estate assets where the value can be sufficiently assessed in line with Swiss market value appraisals; the legal structure of foreign real estate assets must be equivalent to the legal forms listed in letters a) a.– f., letter b) and letter d) above.
3. Depending on the specific features of each country, real estate assets including accessories may be held either directly or indirectly through one or more subsidiaries resp. special purpose entities in different jurisdictions in order to achieve an optimised structure. The exclusive purpose of subsidiaries is to hold investments (including subsidiaries) for the account of the real estate fund. In this context, the fund management company must exercise control over the subsidiaries in terms of purpose, control, voting rights, etc. These subsidiaries may also be structured as holding companies which in turn invest in real estate assets indirectly via subsidiaries and/or property companies. The fund management company must exercise control over the movable property/accessory company, namely in terms of purpose, control, voting rights, etc. The purpose of a movable property/accessory company is limited exclusively to the rental and/or leasing of accessories within the meaning of Art. 644, para. 2. of the Swiss Civil Code which, according to local custom or the clear will of the owner of the main object, i.e. the said property, permanently facilitate the management, use or preservation of the main object and are auxiliary thereto by virtue of having been joined to it, adapted to it or otherwise connected with it. This intrinsic connection is expressed by the connection of the movable property/accessory company to the real estate under company law, in that the purpose or dedication of the movable property/accessory company

is limited exclusively to the acquisition, holding, leasing, renting and sale of the movable property/accessory for the benefit of the relevant properties of the real estate fund. The movable property/accessory company cannot exist separately from one or more properties.

The Board of Directors of the fund management company shall determine the members of the supreme governing bodies of the subsidiaries, the majority of whom shall generally be authorised signatories or employees of the fund management company.

Where for reasons of national law in the country of investment it makes sense for the supreme governing body to have an equal number of local members, care must be taken to ensure that the casting vote lies directly or indirectly with the Board of Directors of the fund management company or the authorised signatories or employees of the fund management company. Where a casting vote is not possible under local law, the controlling owner of the local investee company should have the casting vote. In such cases, the real estate fund must hold at least 95% of these subsidiaries, with the remaining share of the capital and votes being owned by companies affiliated with the fund management company.

Where the authorised signatories or employees of the fund management company must remain in the minority in the supreme governing body of the subsidiary in order to avoid disadvantages, the fund management company shall ensure its ability to exert influence in other ways.

The subsidiaries shall hold only investments on behalf of the real estate fund and the provisions of this fund contract in respect of the real estate fund shall apply analogously for all investments of the subsidiaries. For accounting purposes, the investments of subsidiaries shall be consolidated with the investments of the real estate fund.

4. The fund management company may arrange for buildings to be constructed for the fund's account. In such cases, for the period of preparation, construction or renovation, it may credit the income statement of the real estate fund with interim interest for land and buildings under construction at the market rate, provided the costs do not exceed the estimated market value.
5. The fund management company shall strive for sustainable real estate management. The investment objective of the real estate fund is principally to achieve sustainable earnings and growth in the value of real estate holdings through a broadly diversified international portfolio, based on careful handling of non-renewable resources and climate protection.

Sustainability aspects are included in the entire decision-making process using the sustainability approaches **ESG integration** and **Exclusion criteria** described in the prospectus under clause 1.9.2 and implemented along the entire life cycle of the properties.

The fund management company has defined the following **sustainability goals** ("goal matrix") for the real estate fund:

- CO₂-emissions (kg CO₂e/m² LSS*/year): -50% by 2030 (base 2019)***
- Energy consumption (kWh**/m² LSS/year): -30% by 2040 (base 2019)***
- Renewable energy sources (share as % of portfolio): at least 50% by 2040
- Building label (including energy certificates) for properties: at least 90% by 2030
- Climate neutrality (net zero CO₂ target) of the portfolio: 100% by 2050***
- Coverage rate Data: 100% by 2030***

* LSS = Leasable Space

** kWh = kilowatt hour

*** Temporary deviations of up to 5% may occur due to transactions and projects.

6. The fund management company shall ensure appropriate liquidity management. The details shall be disclosed in the prospectus.

§ 9 Securing liabilities and liquid assets

1. To secure liabilities, the fund management company must hold an appropriate portion of fund assets in short-term fixed-interest securities or liquid assets. It may hold such securities and assets in the accounting currency of the real estate fund or other currencies in which the liabilities are denominated.
2. Loans, operating obligations and all obligations in respect of units redeemed shall be deemed liabilities.
3. Debt securities with a term or residual term of 12 months or less shall be deemed short-term fixed-interest securities.
4. Cash and bank deposits at sight and time with maturities of 12 months or less and firmly committed credit facilities from a bank for up to 10% of the fund's net assets, shall be deemed liquid assets. The maximum limit on permissible pledging pursuant to § 14.2 shall be deducted from the credit facilities.
5. Fixed-interest securities with a term or residual term of up to 24 months may be held to secure forthcoming construction projects.

B Investment techniques and instruments

§ 10 Securities lending

The fund management company does not engage in securities lending transactions.

§ 11 Securities repurchase agreements

The fund management company does not engage in securities repurchase agreements.

§ 12 Derivatives

1. The fund management company may use derivatives to hedge interest rate, currency, credit and market risks. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in the present fund contract and in the prospectus, and that it does not change the investment character of the fund. Furthermore, the underlyings of the derivatives must be permissible investments according to the present fund contract.

In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.
2. Commitment Approach I is applied to the assessment of risk. The use of derivatives therefore does not result in a leverage effect on the fund assets, neither does it correspond to short selling.
3. Only basic types of derivatives may be used. These comprise:
 - a) Call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -);
 - b) Credit default swaps (CDS);
 - c) Swaps, the payments of which are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner;
 - d) Future and forward transactions, the value of which is linearly dependent on the value of the underlying.
4. The financial effect of the derivatives is similar to either a sale (exposure-reducing derivative) or a purchase (exposure-increasing derivative) of an underlying security.
5.
 - a) In the case of exposure-reducing derivatives, subject to letter b) and d) below, the arising obligations must be covered at all times by the underlyings of the derivative.
 - b) Cover with investments other than the underlyings is permitted in the case of exposure-reducing derivatives that relate to an index which is calculated by
 - an independent external office;
 - representative of the investments serving as cover;
 - in adequate correlation to these investments.
 - c) The fund management company must have unrestricted power to dispose of these underlyings or investments at all times.
 - d) An exposure-reducing derivative may be weighted by the delta in the calculation of the corresponding underlyings.
6. In the case of exposure-increasing derivatives, the underlying equivalents must be covered at all times by near-money assets pursuant to Art. 34 para. 5 CISO-FINMA. In the case of futures, options, swaps and forwards, the underlying equivalent is determined in accordance with Annex 1 CISO-FINMA.
7. The fund management company must comply with the following rules when netting derivatives positions:
 - a) Counter positions in derivatives based on the same underlying as well as counter positions in derivatives and in investments in the same underlying may be netted, irrespective of the maturity date of the derivatives, provided that the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, no material risks are disregarded in the process and the conversion amount of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
 - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset that is to be hedged, for netting to be permitted a further condition must be met in addition to the rules under letter a), the condition that the derivative transactions may not be based on an investment strategy that serves to generate a profit. Furthermore, the derivative must result in a demonstrable reduction in the risk, the risks of the derivative must be balanced out, the derivatives, underlyings or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.
 - c) Derivatives that are used solely for currency hedging purposes and do not result in leverage or contain additional market risks may be netted when calculating the overall exposure arising from derivatives without having to meet the requirements set out under letter b) above.
 - d) Covered hedging transactions by interest derivatives are permitted. Convertible bonds do not have to be taken into account when calculating the overall exposure to derivatives.
8. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
9.
 - a) The fund management company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the custodian bank, the

- counterparty or guarantor must have a high credit rating.
- b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
- c) If no market price is available for an OTC-traded derivative, it must be possible to determine the price at any time based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favorable offer must be accepted, under due consideration of the price, credit rating, risk distribution and the range of services offered by the counterparties. Deviations from this principle are permitted for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty render another offer more advantageous overall for the investors. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investor's best interest. The reason in doing so must be clearly documented, as must the conclusion of the contract and pricing.
- d) As part of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements under Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public and valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements listed under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers, whereby appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided that

ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

10. In complying with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.
11. The prospectus must contain further information on:
- the importance of derivatives as part of the investment strategy;
 - the effect of the use of derivatives on the risk profile of the fund;
 - the counterparty risks attached to derivatives;
 - credit derivatives;
 - the collateral strategy.

§ 13 Raising and granting loans

1. The fund management company may not grant loans for the real estate fund's account, with the exception of receivables from real estate companies owned by the real estate fund, mortgage notes and other contractual mortgages.
2. The fund management company may borrow for the real estate fund's account.

§ 14 Pledging properties

1. The fund management company may pledge property and transfer the pledges as security.
2. Total pledges on all properties may not exceed one-third of market value on average.
- To preserve liquidity, the pledges may, temporarily and by way of exception, be increased to half of market value, provided the interests of the investors are safeguarded. In such cases, the audit firm must comment on the requirements according to Art. 96 para. 1bis CISO as part of its audit of the real estate fund.

C Investment restrictions

§ 15 Risk diversification and restrictions thereon

1. Investment must be diversified by property, usage, age, type of construction and location.
2. Investments must be diversified across at least ten sites. Developments built on the same construction principles and adjacent plots shall be deemed a single site.
3. The market value of a site may not exceed 25% of fund assets.
4. In pursuing the investment policy pursuant to § 8, the fund management company shall also observe the following investment restrictions in respect of fund assets:
- a) Building land (including properties to be demolished) and buildings under construction may not exceed 30%;
 - b) Leasehold properties may not exceed 30%;
 - c) Mortgage notes and other contractual mortgages may not exceed 10%;

- d) Units in other real estate funds (including real estate investment trusts) and real estate investment companies and certificates listed on an exchange or other regulated market open to the public may not exceed 25%;
- e) Investments under letters a. and b. above may not in total exceed 40%.

IV. Calculation of the net asset value, issue and redemption of units, and appraiser

§ 16 Calculation of the net asset value and use of appraiser

1. The net asset value of the real estate fund and the proportions attributable to the individual classes (percentages) are calculated in euro at the market value at the end of each financial year and whenever units are issued.
2. The fund management company arranges for the market value of properties belonging to the real estate fund to be reviewed by the appraiser at the end of each financial year and whenever and whenever units are issued. When units are issued, a new valuation is not necessary provided that the existing valuation is not older than six months. For this purpose, the fund management company shall appoint a legal entity as an appraisal expert with the approval of the supervisory authority. The appraiser must revisit the properties at least every three years. The fund management company arranges for properties to be appraised in advance of purchases and sales. A new appraisal is not required for sales where the existing appraisal is less than three months old and circumstances have not materially changed.

The appraiser may call on assistants abroad when valuing foreign properties. The final responsibility remains with the Swiss appraiser. The appraiser must ensure that a market value appraisal is carried out in line with Swiss regulations and that the assistants meet the requirements of Art. 64 para. 2 CISA and the stipulations of the supervisory authority analogously at all times. The appraiser must inform the fund management company when they call on assistants. The appraiser and/or their assistants must revisit the properties at least every three years.

3. Securities traded on an exchange or other regulated market open to the public are to be valued at the current prices paid on the main market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the estimate. In such cases, the fund management company will use appropriate and recognised valuation models and principles to determine the market value.
4. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on an exchange or other regulated market open to the public, the fund management company may value such funds in accordance with point 3 above.

5. The value of short-term fixed-interest securities that are not traded on an exchange or other regulated market open to the public is determined as follows: The valuation price of such investments is gradually adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in market conditions, the valuation principles for individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, calculations are, as a rule, based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
6. Postal and bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
7. Properties are valued for the real estate fund using the latest AMAS Guidelines for Real Estate Funds.
8. The valuation of building land or buildings in progress is based on the fair value principle. The fund management company shall have the buildings in progress, which are listed at market value, appraised at the end of the accounting year.
9. The net asset value of unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class and any taxes likely to be incurred should the real estate fund be liquidated that are allocated to the unit class in question, divided by the number of units of that class in circulation. This is rounded to EUR 0.01.
10. The percentages of the market value of the fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the fund for each unit class. The percentage is recalculated when one of the following events occurs:
 - f) when units are issued and redeemed;
 - g) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes differ as percentages of their individual net asset values, especially if (i) different commission rates are applied to the various unit classes or if (ii) class-specific costs are charged;
 - h) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains originate from transactions made solely in the interests of one unit class or in the interests

of several unit classes, but not in proportion to their share of the net fund assets.

§ 17 Issue and redemption of units as well as trade

1. Units may be issued at any time, but this is done only in tranches. The fund management company offers new units to existing investors first.
2. Units are redeemed and paid out in accordance with § 5.5. If units are terminated during an accounting year, the Fund Management Company may prematurely repay them after the end of that year provided that:
 - a) the investor requests this in writing at the time of termination;
 - b) all investors who wish to be repaid prematurely can be satisfied. In addition, the Fund Management Company ensures the real estate fund units are traded regularly on- or off-exchange via a bank or securities dealer. The details are governed by the Prospectus.In addition, the fund management company ensures the real estate fund units are traded regularly on- or off-exchange via a bank or securities dealer. The details are governed by the prospectus.
3. The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 16. In the case of unit issues, the incidental costs (property transfer taxes, notary costs, fees, standard brokerage fees, duties etc.) incurred on average by the real estate fund in connection with the investment of the amount paid in will be added to the net asset value. In the case of unit redemptions, the incidental costs incurred on average by the real estate fund in connection with the sale of a portion of investments corresponding to the redeemed unit(s) will be deducted from the net asset value. The incidental costs are listed in the prospectus and the key information document. In the case of unit issues, an issuing commission may also be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.
4. The fund management company may suspend the issue of units at any time, and may reject applications for the subscription or conversion of units.
5. The fund management company may, temporarily and by way of exception, defer repayment in respect of fund units in the interests of all investors:
 - a) if a market which forms the basis of the valuation of a significant proportion of the fund assets is closed, or if trading on such a market is restricted or suspended;
 - b) in the event of a political, economic, military, monetary or other emergency;
 - c) if, owing to exchange controls or restrictions on other asset transfers, the real estate fund is no longer able to transact its business;

d) in the event of large-scale redemptions that might significantly impair the interests of the remaining investors.

6. The fund management company will immediately inform the audit firm and the supervisory authority of any decision to defer redemptions. It must also inform the investors in a suitable manner.
7. No units will be issued for as long as repayments in respect of units are deferred for the reasons stipulated under point 5 letters a) to c) above.

V. Fees and incidental costs

§ 18 Fees and incidental costs charged to the investor

1. On the issue of fund units, the investors may be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland which, in total, may not exceed 5% of the net asset value. The currently applicable maximum rate is stated in the prospectus and the key investor document.
2. On the redemption of fund units, the investors may be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland which, in total, may not exceed 2% of the net asset value. The applicable rate is stated in the prospectus and the key investor document.
3. When units are issued and redeemed, the fund management company will also charge the incidental costs incurred by the real estate fund on average in the investment of the amount paid in or the sale of a portion of the investments corresponding to the units redeemed (cf. § 17.3), this accruing to the fund assets. The incidental costs are listed in the prospectus and the key investor document.

§ 19 Fees and incidental costs charged to the fund assets

1. For the administration of the real estate fund and the property companies as well as the portfolio management of the real estate fund, the fund management company will charge the real estate fund a maximum annual commission of average total fund assets, invoiced quarterly, as follows (management fee charged by the fund management company):
 - Unit class (EUR) I:
maximum annual management fee 1.5%
 - Unit class (CHF hedged) I:
maximum annual management fee 1.5%The rate of the management fee actually charged is stated in the annual and semi-annual report.
2. For the safekeeping of the fund assets, the handling of the real estate fund's payment transactions and the performance of the other tasks of the custodian bank listed under § 4, the custodian bank will charge the real estate fund a maximum annual commission of the fund's net assets, invoiced quarterly, as follows (custodian bank fee):

- Unit class (EUR) I:
maximum annual custodian bank fee 0.1%
- Unit class (CHF hedged) I:
maximum annual custodian bank fee 0.1%

The rate of the custodian bank fee actually charged is stated in the annual and semi-annual report.

3. However, the commission does not include the following fees and incidental costs of the fund management and the custodian bank, which are additionally charged to the fund assets:

- a) Costs for buying and selling real estate investments, specifically standard brokerage fees, commissions, taxes and levies, as well as costs for the verification and maintenance of quality standards for physical assets;
- b) the supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the real estate fund;
- c) the supervisory authority's annual fees;
- d) the audit firm's fees for annual auditing as well as certification in the case of establishment, amendments, liquidation or mergers of the real estate fund;
- e) fees for legal and tax advisors in connection with the establishment, amendment, liquidation or merger of the real estate fund, as well as generally upholding the interests of the real estate fund and its investors;
- f) costs relating to the exercising of voting rights or creditors' rights by the real estate fund, including the cost of fees paid to external advisors;
- g) costs and fees relating to intellectual property registered in the name of the fund or with rights of use for the real estate fund;
- h) all costs incurred though any extraordinary steps taken to safeguard the interests of investors by the fund management company, portfolio manager or custodian bank.

4. In addition, the fund management company and custodian bank are also entitled to charge the following expenses incurred in executing the fund contract:

- Costs for buying and selling real estate investments, standard brokerage fees, consultant and lawyer fees, notary and other fees as well as taxes;
- Standard third-party commissions in connection with initial letting of new buildings or after renovation;
- Costs/expenses in connection with managing individual properties up to 8% of gross annual rental income;
- Real estate expenses, in particular maintenance and operating costs including insurance costs, public charges as well as costs for service and infrastructure services, insofar as this is customary in the market and is not borne by third parties;

- Costs/fees of the appraisers as well as any other experts for clarifications serving the interests of investors;
- Consulting and procedural costs in connection with the general protection of the interests of the real estate fund and its investors, in particular with public authorities and in court;
- Credit procurement costs and costs related to credit management;
- Costs/fees in connection with a capital increase and/or listing of the real estate fund.

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

- a) Purchase and sale of real estate, up to a maximum of 2% of the purchase or sale price;
- b) Construction of buildings, renovations and conversions, up to a maximum of 3% of the construction costs;

6. 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.) shall be added directly to the cost price of the real estate investments.

7. The costs pursuant to para. 3 (a) and para. 4 first lemma are added directly to the cost value or deducted from the sales value.

8. Benefits provided by property companies to the members of their boards of directors, executive boards or staff must be deducted from the remuneration owed to the fund management company under § 19.

9. The fund management company and its agents do not pay any retrocessions as remuneration for distribution activity in respect of fund units. They do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the real estate fund.

10. If the fund management company acquires units in other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds"), no issuing or redemption commissions of the related target funds may be charged to the real estate fund.

Taking any retrocessions and rebates into account, the management fee of the target funds in which investments are made may not exceed 1.5%. The maximum rate of the management fee of the target funds in which investments are made, taking any retrocessions and rebates into account, must be disclosed in the annual report.

VI. Financial statements and audit

§ 20 Financial statements

1. The real estate fund's accounting currency is the euro (EUR).

2. The financial year runs from 1 July to 30 June.
3. The fund management company publishes an audited annual report for the real estate fund within four months of the end of the financial year.
4. The fund management company publishes a semi-annual report within two months of the end of the first half of the financial year.
5. The investor's right to obtain information under § 5.4 is reserved.

§ 21 Audit

The audit firm examines each year whether the fund management company and the custodian bank have complied with the statutory and contractual provisions, and with the code of conduct of the Asset Management Association Switzerland (AMAS). The annual report contains a short report by the audit firm on the published annual financial statements.

VII. Appropriation of net income

§ 22

1. The net income of the real estate fund is distributed annually to the investors in the reference currency of the relevant unit class (EUR/CHF) within four months of the close of the accounting year. The fund management company may make additional interim distributions from the income.

Up to 30% of net income in the current financial year may be carried forward to the new account, in addition to the amount carried forward in the previous year.

A distribution may be waived and the entire net income may be carried forward to the new account if:

- the net income in the current financial year and income carried forward from previous accounting years of the real estate fund is less than 1% of the net asset value of the collective investment scheme, and
- the net income in the current financial year and income carried forward from previous accounting years of the real estate fund is less than one unit of the accounting currency of the collective investment scheme.

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. Publication of official notices by the real estate fund

§ 23

1. The medium of publication of the real estate fund is the print medium or electronic medium specified in the prospectus. Notification of any change in the medium of publication must be published in the medium of publication.
2. The following information must, in particular, be published in the medium of publication: summaries of material amendments to the fund contract, indicating the offices from which the amended wording may be obtained free of charge, any change of fund management

company and/or custodian bank, the creation, dissolution or merger of unit classes, and the liquidation of the real estate fund. Amendments that are required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to provide notice subject to the approval of the supervisory authority.

3. Each time units are issued or redeemed, the fund management company will publish the issue and the redemption prices together or the net asset value with a note stating "excluding commissions" for all unit classes in the print medium or electronic medium specified in the prospectus. Net asset values are available at any time in the electronic medium specified in the prospectus and are updated annually once the audited annual financial statements are available.

The prospectus with integrated fund contract, the key information document and the annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

IX. Restructuring and dissolution

§ 24 Mergers

1. Subject to the consent of the custodian bank, the fund management company may merge funds by transferring the assets and liabilities as at the time of the merger of the fund(s) being acquired to the acquiring fund. The investors of the fund(s) being acquired will receive the corresponding number of units in the acquiring fund. The fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the fund contract of the acquiring fund will also apply for the fund(s) being acquired.
2. Real estate funds may be merged only if:
 - a) provision for this is made in the relevant fund contracts;
 - b) they are managed by the same fund management company;
 - c) the relevant fund contracts essentially correspond in terms of the following provisions:
 - the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
 - the appropriation of net income and capital gains from the sale of assets and rights, the type, amount and calculation of all fees, issue and redemption commissions, and
 - the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the investors,
 - the redemption conditions
 - the duration of the contract and the conditions of dissolution;

- d) the assets of the funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
- e) no costs arise as a result for either the fund or the investors.

The provisions of § 19.4 are reserved.

- 3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the funds involved.
- 4. At least one month before the planned publication, the fund management company must submit the proposed changes to the fund contract, and the proposed merger, as well as the merger schedule to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund and the fund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds, as well as a statement from the audit firm responsible in accordance with the legislation on collective investment schemes.
- 5. The fund management company must publish a notice of the proposed changes to the fund contract pursuant to § 23.2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium of publication of the real estate funds in question. In this notice, the fund management company must inform the investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority, or request redemption of their units in cash, within 30 days of the notice.
- 6. The audit firm must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the fund management company and the supervisory authority.
- 7. The fund management company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium of 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 fund. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) being acquired.

§ 25 Duration 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 the custodian bank may dissolve the real estate fund by terminating the fund contract without notice.
- 3. The real estate fund may be dissolved by order of the supervisory authority, in particular, if at the latest one

year after the expiry of the subscription period (launch), or a longer extended period approved by the supervisory authority at the request of the custodian bank and the fund management company, it does not have net assets of at least CHF 5 million (or the equivalent).

- 4. The fund management company must inform the supervisory authority of the dissolution immediately and publish notification in the medium of publication.
- 5. Once the fund contract has been terminated, the fund management company may liquidate the real estate fund forthwith. If the supervisory authority has ordered the dissolution of the real estate fund, it will be placed in liquidation immediately. The custodian bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. The fund management company must obtain authorisation from the supervisory authority prior to the final payment.

XI. Amendments to the fund contract

§ 26

If any amendments are to be made to the present fund contract, or if the merger of unit classes or a change of fund management company or of custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the corresponding publication. In the publication, the fund management company must inform the investors about which amendments to the fund contract are covered by FINMA's verification and check for compliance with the law. In the event of a change to the fund contract, the investors may also demand the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23.2 that have been exempted from the duty to publish with the approval of the supervisory authority.

XII. Applicable law and place of jurisdiction

§ 27

- 1. The real estate fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014.

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

- 2. When approving the fund contract, FINMA verifies only the provisions pursuant to Art. 35a para. 1 let. a–g CISO and ensures their compliance with the law.
- 3. The German version is binding in all matters of interpretation relating to the present fund contract.
- 4. The present fund contract takes effect on 7 June 2023 and replaces the fund contract of 10 November 2022.

UBS Fund Management (Switzerland) AG
Aeschenvorstadt 1
CH-4051 Basel

UBS Switzerland AG
Bahnhofstrasse 45
CH-8001 Zurich

UBS Fund Management (Switzerland) AG and UBS Switzerland AG are subsidiaries of UBS Group AG
© UBS 2023. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

