CREDIT SUISSE

Credit Suisse Real Estate Fund International

Investment fund under Swiss law of the “Real estate funds” category
for qualified investors

Sales Prospectus with Integrated Fund Contract

November 2023
Distribution in Switzerland

Part 1: Prospectus

This Sales Prospectus with Integrated Fund Contract, together with the Key Information Document and the latest annual report (or semi-annual report if published more recently), serves as the basis for all subscriptions of units in the Real Estate Fund.
Only the information contained in the Prospectus, the Key Information Document or the Fund Contract will be deemed to be valid.

1 Information on the Real Estate Fund

Credit Suisse Real Estate Fund International is an investment fund under Swiss law of the "Real estate" category in accordance with the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 (CISA) open to qualified investors as per Art. 10 para. 3 CISA in conjunction with Art. 4 paras. 3–5 or Art. 5 paras. 1 and 4 of the Federal Act on Financial Services of June 15, 2018 (Financial Services Act, FinSA) as well as qualified investors within the meaning of Art. 10 para. 3ter CISA.

1.1 Real Estate Fund Established in Switzerland

The Fund Contract was drawn up by Credit Suisse Funds AG, Zurich, as fund management company and with the consent of Credit Suisse AG, Zurich, as custodian bank, submitted to the Swiss Financial Market Supervisory Authority FINMA and approved by the latter for the first time on June 7, 2004. As of November 20, 2016, Credit Suisse (Switzerland) Ltd. acquired the majority of the business of Credit Suisse AG belonging to the Swiss Universal Bank division. In this connection, Credit Suisse (Switzerland) Ltd. – with the approval of FINMA – took over the custodian bank function for this Real Estate Fund.
In accordance with Art. 10 para. 5 CISA, and at the request of the fund management company and the custodian bank, FINMA has agreed to waive the following provisions in respect of this Real Estate Fund:

a) the requirement for independence on the part of the other appraisers;
b) the duty to permanently observe the borrowing limit (§ 14 prov. 2);
c) the obligation to publish the price on a monthly basis;
d) the obligation to ensure regular exchange and OTC trading in the Real Estate Fund units.

1.2 Life

The Real Estate Fund has been established for an indefinite period.

1.3 Tax Regulations Relevant to the Real Estate Fund

The fund has no legal personality in Switzerland. In principle, it is not subject to tax on income or capital. Real estate funds which own property directly constitute an exception. Under the Swiss Federal Direct Tax Act, income from direct property holdings is subject to taxation at the point of the fund itself and is therefore tax-free for unitholders; it is not subject to withholding tax, provided it is paid on a separate coupon. Other distributions of income by the Real Estate Fund are subject to Swiss federal withholding tax (35% tax at source on income arising from the fund's investments). Similarly, capital gains from direct property holdings are taxable only for the Real Estate Fund itself; they are not subject to withholding tax, provided they are paid on a separate coupon or are listed separately in the statement sent to investors. Capital gains realized by the Real Estate Fund on the disposal of participations and other assets (such as short-term, fixed-rate securities) are not subject to withholding tax, provided they are paid on a separate coupon or listed separately in the statement sent to investors.
The Real Estate Fund may apply for a refund of all Swiss federal withholding tax levied on its domestic income. Income and capital gains realized outside Switzerland may be subject to the relevant withholding tax deductions imposed by the country of investment.
Investors domiciled in Switzerland may reclaim Swiss withholding tax by declaring it in their tax returns or by submitting a separate application for a refund.
Investors domiciled outside Switzerland may reclaim withholding tax under the terms of any double taxation treaty between Switzerland and their country of domicile. If no such treaty exists, then the withholding tax may not be reclaimed.
In the case of investors domiciled outside Switzerland ("foreign investors"), income from a Swiss real estate fund may be distributed free of withholding tax provided at least 80% of income arises from foreign sources. This is subject to presentation of a bank declaration (affidavit) from a bank in Switzerland or abroad. The affidavit shall contain a confirmation from a bank that the units of the foreign investor are held in a safekeeping account at that bank, that the foreign investor is the beneficial owner of these units, and that the distributions are credited to the account of the foreign investor at that bank. Should withholding tax be deducted from income distributed to a foreign investor by such a real estate fund, under Swiss law a claim for a direct refund may be submitted to the Swiss Federal Tax Administration in Berne.
There can be no guarantee that at least 80% of the income from the Real Estate Fund arises from foreign sources.
This tax information is based on the current legal situation and practice in Switzerland. It is subject to changes in legislation, the decisions of the courts and the decrees and practices of the tax authorities.
Taxation and other tax implications for investors who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile. Potential investors should familiarize themselves with the laws and regulations applicable at their place of residence to the subscription, purchase, possession and sale of units and seek advice on these matters.

The Real Estate Fund has the following tax status:

FATCA:
The Real Estate Fund is registered with the US tax authorities as a "deemed compliant" collective investment vehicle (CIV) pursuant to the Agreement Between Switzerland and the United States of America for Cooperation to Facilitate the Implementation of FATCA (Foreign Account Tax Compliance Act) "Swiss/US IGA".
International automatic exchange of information on tax matters:
This real estate fund qualifies as a Non-reporting Financial Institution for the purposes of the automatic exchange of information pursuant to the Common Reporting and Due Diligence Standard (CRS) of the Organisation for Economic Co-operation and Development (OECD) relating to information on financial accounts.

1.4 Financial Year

The financial year runs from January 1 until December 31.

1.5 Auditor

The auditor is PricewaterhouseCoopers AG, Zurich.

1.6 Units

The units constitute contractual claims against the fund management company in respect of a participation in the assets and income of the collective investment scheme. Units exist purely in book-entry form. Deliverable units may be certificated and delivered to a Swiss central securities depositary in the form of a global certificate.
Units do not take the form of actual certificates but exist purely as book entries. The investors are not entitled to demand delivery of a unit certificate in registered or bearer form. The units must be booked to and held in safekeeping at Credit Suisse (Switzerland) Ltd, Switzerland. For units that are not booked and held with the custodian bank, the banks responsible for the safekeeping of the units must confirm to the custodian bank in writing that their clients are qualified investors within the meaning of § 5 prov. 1 of the Fund Contract and that changes in this regard are reported. The minimum investment amount is one unit. The Real Estate Fund is not divided into unit classes.

1.7 Listing and Trading

The fund management company does not ensure any regular exchange or OTC trading in the Real Estate Fund units.

1.8 Terms for the Issue and Redemption of Fund Units

The issue of units is possible at any time. It may only take place in the form of tranches, whereby the existing number may not be more than doubled. The fund management company shall set out in a separate issuing prospectus the number of new units to be issued, the subscription ratio for existing investors, the issuing modalities for subscription rights, and the other terms.
Investors may apply to redeem their units at the end of each accounting year, provided they give twelve months' notice. Under certain circumstances, the fund management company is entitled to repay the redeemed units early (cf. Fund Contract § 17, prov. 2). If investors request early redemption, they must confirm this in writing at the time of serving notice. Scheduled as well as early redemption takes place within four months of the close of the accounting year.

The net asset value of the Real Estate Fund is calculated on the basis of market prices as at the end of the accounting year, as well as each time units are issued.
In addition, an indicative figure for the net asset value of the Real Estate Fund is calculated at least once per quarter. The indicative net asset value is based on the audited market values as at the close of the last accounting year or on extraordinary market value estimates for the plots of land belonging to the Real Estate Fund as well as on the budgeted current income. Any indicative figures already published will no longer be adjusted after publication of the annual report.
The issue price is calculated by adding the issuing commission to the net asset value calculated with a view to the issue of units. The issuing commission is calculated as set out in prov. 1.12.4 below. The incidental costs (transfer taxes, notary costs, fees, standard brokerage fees, duties, etc.) incurred by the Real Estate Fund in purchasing investments are charged to the Fund's assets in proportion to the amount paid in.
The redemption price is calculated as follows: the net asset value calculated with a view to the redemption of units, minus the incidental costs incurred on average by the Real Estate Fund in connection with the sale of that portion of investments corresponding to the redeemed units and minus the redemption commission. Data on the incidental costs and the redemption commission are given in prov. 1.12.4 below.
The issue and redemption prices are rounded up or down to the nearest five Swiss francs.
The fund management company may suspend the issue of units at any time, and may reject applications for the subscription or switching of units.
The fund management company publishes the market value of the Real Estate Fund's assets and the resulting net asset value of its units in the media of publication of the Fund.

1.9 Appropriation of Income

Income will be distributed within four months of the end of the financial year at the latest.

1.10 Investment Objective and Investment Policy of the Real Estate Fund

1.10.1 Investment Objective

The investment objective of Credit Suisse Real Estate Fund International is to achieve continuous capital growth, as well as to provide a regular, appropriate distribution of income, by investing in a geographically diversified, international real estate portfolio. In addition to risk and return considerations, the asset manager also includes environmental, social and governance ("ESG") criteria and the associated sustainability aspects as a key element of its investment decision-making process. By applying the "**ESG integration**" sustainability approach described in prov. 6.2 of this Prospectus throughout the real estate investment life cycle (planning and development of real estate construction projects, acquisition of portfolio properties, operational management, refurbishment and demolition), the Real Estate Fund invests the assets on a sustainable basis in overall terms. For selected construction projects (new builds, replacement buildings and full refurbishments) a **building certification** is performed on the basis of standard market sustainability labels, certificates and energy certificates from third-party providers (e.g. LEED, BREEAM and DGNB) in order to gauge the quality of properties in terms of their sustainability characteristics. The asset manager endeavors to increase a small portion of certified real estate investments in the fund assets in the case of new builds, replacement buildings and full refurbishments. The currently certified portfolio properties and construction projects, together with their share of the fund assets, are shown in the annual report of the Real Estate Fund. **Building optimization** aims to improve the energy efficiency of portfolio properties through selected short and long-term optimization measures throughout the life cycle of a property. To **reduce the emission intensity** of the real estate portfolio (kg CO_2e/m^2), the energy consumption and greenhouse gas emissions of the portfolio properties are measured on a continuous basis, with the asset manager applying the regulations and definitions of Asset Management Association Switzerland (AMAS) circular no. 04/2022 "Environmental indicators for real estate funds", which was published on May 31, 2022. Up to 20% of the market values of the Real Estate Fund's completed buildings may be excluded from measurement in the case of single-tenant properties and condominiums for which no measured values are available, individual properties where there is a lack of data on heating energy and floor space, as well as properties where a sale or full refurbishment is imminent. Further information on the measurement of CO_2e emissions can be found in prov. 6.2 of this Prospectus. **ESG benchmarking** includes an annual ESG performance evaluation of real estate in the fund assets based on benchmark initiatives, specifically the Global Real Estate Sustainability Benchmark (GRESB), with the Real Estate Fund seeking to achieve and retain a Green Star GRESB rating. In addition, the Real Estate Fund achieves "ESG Integration" classification on the basis of an ESG assessment in accordance with the asset manager's Sustainable Investing Policy (available at www.credit-suisse.com/esg). In the case of indirect real estate investments too, the asset manager seeks to comply with the sustainability requirements although it does not have any ability to influence compliance with them and cannot always monitor the situation. Up to 35% of the assets of the Real Estate Fund may therefore be invested in assets specified in § 8 prov. 2 b), c) and e) of the Fund Contract, where the above-mentioned sustainability approach may be only partly applied.
Through investment in real estate assets and approved real estate projects worldwide that have an appropriate sustainability profile in the opinion of the asset manager, the Real Estate Fund also promotes environmental and social characteristics and therefore a more sustainable, long-term focus for the international real estate sector, in particular by reducing CO_2e, increasing energy and resource efficiency, and expanding renewable energy. As CO_2e reduction target, the asset manager aims to achieve net zero Scope 1 and Scope 2 CO_2e emissions by 2040 based on the methodology of the Greenhouse Gas Protocol (GHGP). In terms of the composition and management of the portfolio, the asset manager identifies sustainability risks, in particular based on the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD, www.fsb-tcfd.org). The sustainability risks described in prov. 1.15 of this Prospectus may adversely impact the return on the Real Estate Fund. The specific risks in connection with the application of the sustainability approach is likewise described in prov. 1.15 of this Prospectus.

1.10.2 Investment Policy

The fund management company may invest the fund's assets in real estate assets located in the countries of North, Central and South America, the Asia-Pacific region and Europe on an equal basis of 33% in each case, subject to a deviation tolerance of +/–20%.
The fund's assets shall be invested mainly in quality real estate with a stable income flow and in other investments as permitted by the Fund Contract. Quality real estate is deemed primarily to comprise commercial and residential properties located in centers of economic activity, characterized by tenants with good credit ratings as well as by long-term rental agreements.
Foreign investments are permitted in those countries in which it is possible to obtain market-value estimates in compliance with Swiss regulations (cf. prov. 4.3).
To achieve a tax-efficient structure, the fund management company may hold the real estate assets, depending on the particular characteristics of the country concerned, either directly or indirectly via one or more subsidiary companies. Accordingly, all investments and registrations of real estate assets shall be conducted directly or indirectly by the fund management company or its agents for the Real Estate Fund's account.

1.10.3 Use of Derivatives

The fund management company may use derivatives solely to hedge interest rate, currency and market risks.
Even under extreme market circumstances, however, the use of derivatives must not result in a deviation from the investment objectives or a change in the investment character of the fund. The derivatives that this fund is permitted to use are set out in § 12 of the Fund Contract. In this way, the real estate fund hedges the currency risk for at least 80% of the net exposure of the market values in the respective foreign currency. The actual share of the currency hedge can be seen in the annual and semi-annual reports. A modified Commitment I approach will be applied for the assessment of risk. In connection with collective investment schemes, derivatives may only be used to hedge currency risks. Derivative instruments are permitted for the hedging of market and interest rate risks in relation to collective investment schemes, provided the risks are clearly identifiable and measurable.
The fund management company only uses basic forms of derivatives, i.e. call or put options, swaps and futures and forward transactions, as described in more detail in the Fund Contract (cf. § 12), and only as long as the underlying securities are permitted as investments under the investment policy. The derivative transactions may be concluded either on a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to the market risks, derivatives are

also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss. Even under extraordinary market circumstances, the use of these instruments may not result in the fund's assets being leveraged, nor may they correspond to a short sale.
The fund management company has transferred execution to Credit Suisse (Switzerland) Ltd., which undertakes to ensure best execution via its trading platform.

1.11 Net Asset Value

The net asset value of a unit represents the market value of the Real Estate Fund's assets, less any liabilities of the Fund and the likely taxes and duties incurred on a possible liquidation of the Fund's assets, divided by the number of units in circulation. It is rounded to two decimal places.

1.12 Fees and Incidental Costs

1.12.1 Fees and Incidental Costs Charged to the Fund's Assets (Excerpt from § 19 of the Fund Contract)

Management fee of the fund management company 0.60% p.a.
(of total fund assets at the beginning of the accounting year)

This covers the administration of the Real Estate Fund and the real estate companies, asset management and distribution activities in relation to the Real Estate Fund.

Commission for the custodian bank 0.02% p.a.
(of net fund assets at the beginning of the accounting year)

This covers the tasks of the custodian bank such as the safekeeping of the Fund's assets, the handling of the Fund's payment transactions and the performance of the other tasks listed under § 4.

Furthermore, the fees and incidental costs listed under § 19 of the Fund Contract may also be charged to the Real Estate Fund.

Information on the rates actually charged can be found in the annual and semi-annual reports.

1.12.2 Total Expense Ratio

The coefficient of the total costs charged to the Fund's assets on an ongoing basis (TER $_{REF}$) was:

In relation to the total fund assets:
Total Expense Ratio $_{Real\ Estate\ Funds}$ GAV (TER $_{REF}$ GAV)
2020 accounting year: 0.87%
2021 accounting year: 0.84%
2022 accounting year: 0.90%

In relation to the market value:
Total Expense Ratio $_{Real\ Estate\ Funds}$ MV (TER $_{REF}$ MV)
2020 accounting year: 1.15%
2021 accounting year: 1.16%
2022 accounting year: 1.44%

1.12.3 Payment of Retrocessions and Rebates

The fund management company and its agents do not pay any retrocessions as remuneration for the marketing of Real Estate Fund units in or from Switzerland.
The fund management company and its agents do not pay rebates in connection with distribution activities in or from Switzerland in order to reduce the fees and costs charged to the Real Estate Fund and borne by the investor.

1.12.4 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 and abroad 1.50%

(The fund management company reserves the right to reductions)

Redemption commission accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad 1.75%

When units are redeemed, the incidental expenses incurred by the Real Estate Fund on average in connection with the sale of a portion of the investments corresponding to the units redeemed are deducted. The rate applied is shown in the corresponding statement.

1.12.5 Commission-Sharing Agreements and Non-Pecuniary Benefits ("Soft Commissions")

The fund management company has not concluded any commission-sharing agreements. Furthermore, the fund management company has not concluded any agreements in respect of "soft commissions".

1.12.6 Investments in Related Collective Investment Schemes

In the case 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 stake, no issuing and redemption commissions are charged.

1.13 Inspection of Reports

Further details about the Real Estate Fund can be found in the most recent annual report or semi-annual report, as the case may be. Up-to-date information can also be found on the Internet at www.credit.suisse.com/ch/realestate.
The Sales 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.

1.14 Legal Form of the Real Estate Fund

Credit Suisse Real Estate Fund International is an investment fund under Swiss law of the "Real estate" category in accordance with the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 (CISA) for qualified investors within the meaning of Art. 10 para. 3 CISA in conjunction with Art. 4 paras. 3–5 or Art. 5 para. 1 and 4 of the Federal Act on Financial Services of June 15, 2018 (Financial Services Act, FinSA) as well as for qualified investors within the meaning of Art. 10 para. 3ter CISA.
The Real Estate 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 Fund in proportion to the Fund units acquired by said investor, and to manage the Fund at its own discretion and for its own account in accordance with the provisions of the 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.

1.15 Significant Risks

The main risks of the Real Estate Fund may be described as follows.

– <u>Real estate investments outside Switzerland</u>: When investing in real estate, the location of the property and the potential of this location are normally very important aspects to take into consideration. In the case of real estate outside Switzerland, the location-related factors that can influence the valuation of real estate are more wide-ranging, as among other things local regulations may deviate from the legal and tax parameters that apply in Switzerland, while exchange rate risks can also significantly impact the valuation of real estate. Foreign real estate is also associated with greater administration risks and possible technical difficulties, including transfer risk with respect to current income or proceeds of disposals.
– <u>Dependency on economic developments</u>: As it invests in various countries, the fund is subject to diverse and in some cases divergent economic trends and parameters. It is conceivable that a deterioration in the economic situation of certain countries will have a major impact on local real estate markets, whereas markets in other countries may be less badly affected. The economic climate may deteriorate, for example, owing to a general cyclical downturn, to changes in the inflation rates or government debt of individual countries, or to the relative attractiveness of locations in the central business locations in relation to other locations in a particular country or by international comparison.
– <u>Exchange rate risk</u>: The result of investing in the various investment countries is calculated in the corresponding currencies and converted into Swiss francs for the annual financial statements. The financing of real estate can also involve the use of debt capital in the corresponding local currency. It is possible that exchange rate

fluctuations may have a negative influence on the return on the Real Estate Fund even if the fund hedges currency risks with derivative instruments.

- Changes in the real estate markets of investment countries: Cyclical fluctuations of supply and demand can occur in both the rental and ownership markets of the investment countries. These fluctuations need not necessarily be related to general economic developments in the investment country in question. Oversupply can lead to a reduction in rental income as well as real estate prices, whereas a shortage of supply can fuel rises in both cases. Moreover, it cannot be ruled out that the development of real estate values may differ greatly from property to property, depending on the investment country and location in question.
- Restricted liquidity: The real estate markets in the investment countries are essentially characterized by restricted liquidity, which may be more or less pronounced and may have negative repercussions for price development. As a result of this restricted liquidity, there is also a risk in particular that, given unfavorable initial circumstances and/or an unfavorable market situation, a short-term purchase or sale (e.g. as a result of the redemption of substantial unit volumes) of individual properties or major investment holdings may only be possible with the corresponding price concessions, or indeed may not be possible at all.
- Interest rate developments/inflation: Fluctuations in capital market interest rates, especially those affecting the mortgage rate, together with inflation and inflationary expectations in the relevant investment countries, can have a significant impact on the value and price of real estate, the development of rental earnings, and financing costs in the corresponding investment countries.
- Valuation of real estate: Real estate valuation is dependent on numerous factors (e.g. rent trends, tenant default risk, vacancy risk) and is subject not least to a certain degree of subjectivity in this respect. The real estate values determined as per the corresponding reference date and audited by the independent valuation experts may therefore deviate from the price that can actually be achieved in the event of a property sale. The sale price will depend on the supply and demand situation that applies at the point of sale.
- Construction of buildings: The construction of buildings, particularly in the case of large projects, involves all the risks (quality risk, cost risk, deadline risk) associated with construction planning and execution. Moreover, the investment may involve substantial resources being tied up for a prolonged period until completion, and a significant period of time may also elapse before these construction projects generate a return.
- Environmental risks: The fund management reviews real estate properties and projects at the acquisition stage for environmental risks. However, the risk of unidentified legacy issues only coming to light after a sale cannot be ruled out.
- Changes to legislation or regulations: Possible future changes in laws, other regulations or official practices in the investment countries, especially in the areas of taxes, rents, environmental protection, spatial planning and building law, may affect real estate prices, costs and returns and hence also the valuation of the fund's assets and its units.
- Participations in real estate companies: The specific risks referred to above also exist in relation to investments in real estate assets which are held by real estate companies. Furthermore, it should be noted that the acquisition of participations in real estate companies may entail liabilities which are difficult to identify. Additionally, in the case of an intended disposal of the participation there may not be a sufficiently liquid secondary market.
- Possible conflicts of interests: The employees of Credit Suisse Funds AG, Credit Suisse (Switzerland) Ltd., Credit Suisse AG and Credit Suisse Asset Management (Switzerland) Ltd. who work for this fund are also active for other real estate funds and investment vehicles of Credit Suisse and third-party providers. There is therefore potential for conflicts of interest. Conflicts of interest may also arise with respect to the fund management company and its appointed agents. Although the fund management company and its agents have taken internal measures to identify, mitigate and overcome these potential conflicts of interest, they cannot be ruled out altogether.
- No trading in the units:
  The fund management company does not ensure any regular exchange or OTC trading in the Real Estate Fund units. In keeping with the nature of a real estate fund, the liquidity of the units is limited. Subject to a notice period of twelve months and only as at the end of an accounting year, the investor may withdraw from the Fund Contract by requesting that their share in the Real Estate Fund be redeemed in cash. In such cases, redemption of the units shall take place within four months after the end of the accounting year; however, redemption may temporarily and by way of exception be deferred in the interests of all investors (cf. § 17 prov. 6, e.g. when notice is given for a large number of units).
- Sustainability risks: Sustainability risks are environmental, social or governance events or conditions that can actually or potentially have a significant, negative impact on the value of the investments of the Real Estate Fund when they occur. These risks are coupled with events resulting from climate change (physical risks) and society's response to climate change (transition risks), which can lead to unexpected losses with impacts on the assets and financial situation of the Real Estate Fund. Sustainability risks are incorporated into the investment decisions and risk monitoring by the asset manager to the extent that they constitute potential or actual material risks and/or opportunities to maximize the generation of risk-adjusted returns over the long term. The impacts of the occurrence of a sustainability risk can vary depending on the specific risk and region. Generally speaking, the occurrence of a sustainability risk in relation to an asset will have a negative impact on its value and in some circumstances may result in its total loss. An assessment of the potential impacts of sustainability risks is performed in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD).
- Specific risks in connection with the application of sustainability approaches: The absence of established standards and harmonized definitions in relation to sustainable investing can result in differing interpretations and approaches when defining and implementing sustainable investment objectives, which can make it more difficult to compare different sustainable financial products. The lack of taxonomy gives the asset manager a degree of subjective discretion in terms of the design and implementation of sustainability approaches within the investment process, the exercising of which is limited in terms of its transparency. The asset manager bases its analysis process on data obtained from third-party providers (e.g. energy monitoring, ESG benchmarks, sustainability label, certificates, energy certificates), the collection and evaluation of which is determined by the relevant provider based on its own processes and the accuracy and completeness of which the asset manager can only verify to a limited extent. The availability of data on operator-run properties may in some cases be dependent on the consent of third parties. The application of sustainability approaches within the investment process can affect the performance of the Real Estate Fund. Accordingly, the assets of the Real Estate Fund may develop differently compared with a similar investment fund with real estate investments where investments are made without taking ESG factors into consideration.

1.16 Liquidity Risk Management

The fund management company shall ensure appropriate liquidity management. It assesses the liquidity of the Real Estate Fund in the context of structuring and launch, and thereafter on a monthly basis. Assessment involves analysis of various scenarios and takes account of criteria including diversification and size of the Real Estate Fund, fungibility of the investments, characteristics of the fund-specific investment market, market elasticity and depth of the markets in which the Real Estate Fund invests. For certain asset classes with restricted liquidity or where the availability of market information is limited (e.g. real estate, mortgages, alternative investments), this analysis may be performed at longer intervals and the criteria used may differ. The fund management company documents the results of this analysis and, if necessary, defines and implements appropriate measures for limiting any liquidity risks. The factors influencing liquidity risk can change constantly, sometimes in unexpected and significant ways. It is therefore possible that liquidity risks (see also prov. 1.15) will arise for the Real Estate Fund despite the analysis and measures implemented by the fund management company.

2 Information on the Fund Management Company

2.1 General Information on the Fund Management Company

The fund management company is Credit Suisse Funds AG, Zurich. It has been exclusively active in the fund business since its formation as a limited company in 1984.

2.2 Further Information on the Fund Management Company

As of December 31, 2022, the fund management company managed or administered a total of 409 collective investment schemes (including subfunds) in Switzerland, with assets under management totaling CHF 371.7 billion.
Credit Suisse Funds AG, the fund management company, is registered with the US tax authorities as a "deemed compliant FFI" pursuant to the Agreement Between Switzerland and the United States of America for Cooperation to Facilitate the Implementation of FATCA (Foreign Account Tax Compliance Act) "Swiss/US IGA".

Address:
Credit Suisse Funds AG
Uetlibergstrasse 231
CH-8045 Zurich, Switzerland

Website:
www.credit-suisse.com

2.3 Board of Directors and Executive Board

Board of Directors

– **Andreas Binder**, Chair
Relevant activities outside the fund management company: Partner in Binder Rechtsanwälte KLG, Baden; lecturer at the University of St. Gallen; Chair of the Board of Directors of Binder & Partner AG, Baden; Chair of the Board of Directors of MDE Beteiligungen AG, Baden; Chair of the Board of Directors of SwissMediaForum AG, Baden
– **Luca Diener**, Vice-Chair
Relevant activities outside of the fund management company: Managing Director, Diener Financial Consulting, Zurich
– **Hans Peter Bär**, Member
Relevant activities outside the fund management company: Member of the Board of Directors of MultiConcept Fund Management S.A., Luxembourg
– **Jürg Roth**, Member
Relevant activities outside of the fund management company: Managing Director of Credit Suisse (Switzerland) Ltd., Zurich; Member of the Board of Trustees of Credit Suisse Investment Foundation, Zurich; Member of the Board of Trustees of the Credit Suisse Investment Foundation Pillar 2, Zurich
– **Patrick Tschumper**, Member
Relevant activities outside the fund management company: Member of the Board of Directors of Credit Suisse (Luxembourg) S.A., Luxemburg; Member of the Board of Directors of Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg
– **Thomas Vonaesch**, Member
Relevant activities outside of the fund management company: Helvetia Asset Management AG, Basel

Real Estate Committee

– **Thomas Vonaesch**, Chair
– **Andreas Binder**, Member
– **Jürg Roth**, Member

Management

– **Thomas Schärer**, CEO
No relevant activities outside of the fund management company
– **Emil Stark**, Deputy CEO and Head Fund Solutions AM
Relevant activities outside of the fund management company: Credit Suisse representative in various fund structures domiciled in Luxembourg and in Ireland
– **Christian Bieri**, Member, Real Estate Fund Management
No relevant activities outside of the fund management company
– **David Dubach**, Member, Oversight & ManCo Services
No relevant activities outside of the fund management company
– **Marcus Eberlein**, Member, Performance & Risk Management
No relevant activities outside of the fund management company
– **Gilbert Eyb**, Member, General Counsel
No relevant activities outside of the fund management company
– **Markus Hafner**, Member, Chief Operating Officer
No relevant activities outside of the fund management company
– **Naftali Halonbrenner**, Member, Fund Administration
No relevant activities outside of the fund management company
– **Hans Christoph Nickl**, Member, Chief Operating Officer
No relevant activities outside of the fund management company
– **Ralph Warth,** Member, Fund Solutions PLF
Relevant activities outside of the fund management company: Member of the Board of Directors of Postbank SICAV, Luxembourg; CEO of RLW – Rare Limited Whisky LLC, Lachen
– **Gabriele Wyss**, Member, Chief Compliance Officer
No relevant activities outside of the fund management company

All information concerning the relevant activities of the members of the Board of Directors and Executive Board outside the fund management company relate to the date of the prospectus.

2.4 Subscribed and Paid-up Capital

Since June 30, 1994, the subscribed share capital of the fund management company has amounted to CHF 7 million. The share capital is divided into registered shares and has been fully paid up.
Credit Suisse Funds AG is a wholly-owned subsidiary of Credit Suisse AG, Zurich.

2.5 Transfer of Investment Decisions

The fund management company has transferred the investment decisions to Credit Suisse Asset Management (Switzerland) Ltd., Zurich, as asset manager.
Credit Suisse Asset Management (Switzerland) Ltd. is an approved manager of collective investment schemes and subject to supervision by FINMA. The employees of Credit Suisse Asset Management (Switzerland) Ltd., a subsidiary of Credit Suisse AG and of Credit Suisse (Switzerland) Ltd., are distinguished by their many years of experience in asset management and investment advice for national and international private and institutional clients.

2.6 Transfer of Other Specific Tasks

The fund management company has transferred certain fund administration duties to the following group companies:

– Credit Suisse AG, Switzerland: specific tasks such as providing legal and compliance advice, facility management, and the Management Information System (MIS).
– Credit Suisse (Switzerland) Ltd., Switzerland: specific tasks in the areas of compliance advice, human resources, collateral management, IT services, and first line of defense support (FLDS).
– Credit Suisse Asset Management (Switzerland) Ltd., Switzerland: real estate administration (including fund and real estate accounting and estate management).
– Credit Suisse Services Ltd., Switzerland: specific tasks in the areas of compliance advice, managing the fund management company's finances, and tax advice.
– Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg: specific tasks in relation to fund accounting, and support with monitoring the investment regulations.
– Credit Suisse (Poland) Sp.z.o.o., Poland: specific tasks in relation to fund accounting, information management (including product master data, price publications, fact sheet production, Key Information Document production and report preparation), legal reporting (preparation of the annual report), and other support tasks.

Precise details of how the remit is to be fulfilled are laid down in an agreement between the fund management company and the aforementioned group companies. Further specific tasks may be transferred to the aforementioned group companies.

Real estate management and technical maintenance tasks are transferred to the following companies:

Australia	Jones Lang LaSalle (QLD) Pty Ltd.
Germany	BNP Paribas Real Estate Property Management GmbH Multi Germany GmbH

	Strabag Property and Facility Services GmbH
United Kingdom	BNP Paribas Real Estate Advisory & Property Management UK Ltd.
Ireland	Jones Lang LaSalle Ltd.
Japan	CBRE K.K. EGW Asset Management Inc. Savills Asset Advisory Co., Ltd.
Canada	Colliers Macaulay Nicolls Inc.
New Zealand	CBRE Ltd.
Netherlands	MVGM International B.V.
Poland	Colliers Asset Services Sp. z o.o.
South Korea	Savills Korea Company Ltd.
USA	CBRE Inc. Cushman & Wakefield U.S., Inc. LPC West LLC. Steelwave LLC Tishman Speyer Properties L.P.

The precise performance of the tasks is stipulated in separate agreements.

2.7 Exercising of Membership and Creditors' Rights

The fund management company exercises the membership and creditors' rights associated with the investments of the Real Estate Fund it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide the investors with information on exercising of membership and creditors' rights.
In the case of scheduled routine transactions, the fund management company is free to exercise membership and creditors' rights itself or to transfer their exercise to the custodian bank or a third party; it is also free to waive the exercise of membership and creditors' rights.
In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights the fund management company holds as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the custodian bank, the asset manager, the company or from proxy advisors or other third parties, or on information it learns from the press.

3 Information on the Custodian Bank

3.1 General Information on the Custodian Bank

The custodian bank is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, 8001 Zurich. The bank was incorporated in Zurich in April 2015 with the legal form of a joint-stock company. In the fourth quarter of 2016, Credit Suisse (Switzerland) Ltd. acquired the majority of the business of Credit Suisse AG belonging to the Swiss Universal Bank division. Credit Suisse (Switzerland) Ltd. is a wholly owned subsidiary of Credit Suisse AG, Zurich.

3.2 Further Information on the Custodian Bank

Credit Suisse (Switzerland) Ltd. offers a comprehensive range of banking services and products for private, business and institutional clients domiciled in Switzerland and for certain international clients.
The custodian bank may delegate the safekeeping of the Real Estate Fund's assets to third-party custodians and central securities depositaries in Switzerland and abroad, provided this is in the interests of efficient safekeeping. In relation to financial instruments, the fund's assets may only be held in safekeeping by regulated third-party custodians and central securities depositaries. This does not apply to mandatory safekeeping at a location where the transfer to regulated third-party custodians and central securities depositaries is not possible, in particular due to mandatory legal provisions or to the investment product's modalities. The use of third-party custodians and central securities depositaries means that deposited securities are no longer owned solely by the fund management company, which instead becomes only a co-owner. Moreover, if the third-party custodians and central securities depositaries are not regulated, they are unlikely to meet the requirements placed on Swiss banks in organizational terms. The tasks of the custodian bank under delegation of safekeeping to an agent shall comply with § 4 prov. 6 of the Fund Contract. The custodian bank is responsible for the losses caused by a third-party custodian or central securities depositary, unless it can prove that it applied the degree of due diligence with regard to the selection, instruction and monitoring required in the given circumstances.
The custodian bank is registered with the US tax authorities as a "participating foreign financial institution (pFFI)" pursuant to the Agreement Between Switzerland and the United States of America for Cooperation to Facilitate the Implementation of FATCA (Foreign Account Tax Compliance Act) "Swiss/US IGA" and section 1471-1474 of the US Internal Revenue Code including related decrees.

4 Information on Third Parties

4.1 Paying Agents

The paying agent is the following bank:
– Credit Suisse (Switzerland) Ltd, Paradeplatz 8, 8001 Zurich, and all its branches in Switzerland

4.2 Distributors

The following institutions have been appointed to undertake distribution activities in relation to the Real Estate Fund:
– Credit Suisse AG, Paradeplatz 8, 8001 Zurich, and all its branches in Switzerland.
The fund management company is entitled to appoint other distributors to undertake distribution activities in relation to the Real Estate Fund.
The fund management company and the custodian bank may, within the scope of their sales activities, refuse purchase applications, as well as suspend or limit the sale, distribution or transfer of units to individuals or corporate bodies in particular countries or areas.

4.3 Appraiser

With the approval of the supervisory authority, the fund management company has appointed Wüest Partner AG, Zurich, as appraiser. Wüest Partner AG, Zurich, is distinguished by its many years of experience in the appraisal of real estate assets. Precise details on how the tasks are to be fulfilled are set out in an agreement between the fund management company and Wüest Partner AG. Within Wüest Partner AG, the following persons have been given chief responsibility:
– Andreas Ammann, architect (ETH/SIA degree)
– Gino Fiorentin, architect (HTL degree)
– Pascal Marazzi-de Lima, architect (ETH degree)
For the purpose of valuing foreign properties, Wüest Partner AG may appoint additional agents abroad. Wüest Partner AG verifies all estimated market values abroad using the discounted cash flow (DCF) method. This guarantees that their estimate of the market value of the real estate assets complies with Swiss regulations. Wüest Partner AG also ensures that the additional agents comply at all times with the relevant requirements of Art. 64 para. 2 CISA and the stipulations of the supervisory authority. It is obliged to notify the fund management company about the appointment of additional agents.
In addition to its ongoing scrutiny of the market value estimates carried out by Wüest Partner AG and its local agents, the fund management company conducts random, independent special audits on site.

4.4 Accounting, Tax Advice and Administration

For certain accounting, tax advice and administration tasks undertaken by group companies the following service providers are involved: Alter Domus, Balmer-Etienne AG, CBRE Inc., Citco Nederland B.V., Colliers Macaulay Nicolls Inc., Creative Partners, Cushman & Wakefield U.S. Inc., Ernst & Young, Fordham Business Advisors Pty Ltd., J&A Garrigues S.L.P., Gowlings WLG (Canada) LLP, KPMG, Morrison & Foerster, Pebblestone Asset Management Co. Ltd., Perpetual Ltd. and Savills Asset Advisory Co., Ltd. Details on the execution of the order are laid down in separate agreements.

5 Further Information

5.1 Key Data

Swiss security no.	1 968 511
ISIN no.	CH001 968 511 1
Accounting currency	Swiss franc
Listing/trading	No exchange or OTC trading

5.2 Publications of the Real Estate Fund

Further information on the Real Estate Fund may be found in the latest annual or semi-annual report. In addition, the latest information can be found on the Internet at www.credit-suisse.com/ch/realestate.
In the event of a change to the Fund Contract, a change in the fund management company or the custodian bank or the dissolution of the Real

Estate Fund, the corresponding notice will be published by the fund management company on the Internet platform www.swissfunddata.ch
The issue and redemption prices and/or the net asset value of the Real Estate Fund based on the market values audited by the appraiser are published on the internet at www.credit-suisse.com. In addition, indicative net asset values are published in the internet at least once per quarter at www.credit-suisse.com. The indicative net asset value is based on the audited market values as at the close of the last accounting year or on extraordinary market value estimates for the plots of land belonging to the Real Estate Fund as well as on the budgeted current income. Any indicative figures already published will no longer be adjusted after publication of the annual report.
Changes affecting the price will be announced by means of press release and can be viewed on the Credit Suisse website (www.credit-suisse.com).

5.3 Insurance of the Real Estate

The real estate belonging to this Real Estate Fund is as a general principle insured against fire and water damage, earthquake damage and against damage due to causes of relevance to liability law. Rental shortfalls arising from fire or water damage as well as earthquake damage are covered by this insurance.

5.4 Sales Restrictions

The issue or redemption of units of this Real Estate Fund abroad will be subject to the laws applicable in the country concerned.

a) A license for distribution activities has been granted in the case of the following countries: Switzerland
b) Units of this Real Estate Fund may not be offered, sold or delivered within the United States or any of its territories. Units of this Real Estate Fund may not be offered, sold or delivered to US citizens or persons resident or incorporated in the US and/or other natural or legal persons whose income and/or returns, regardless of origin, are subject to US income tax, as well as persons who are considered to be US persons pursuant to Regulation S of the U.S. Securities Act of 1933 and/or the U.S. Commodity Exchange Act, in each case as amended from time to time.

The fund management company and the custodian bank may prohibit or limit the sale (direct or indirect) or transfer of units to natural persons or legal entities in certain countries and territories.

6 Further Investment Information

6.1 Profile of the Typical Investor

The Real Estate Fund is suitable for investors with a medium to long-term horizon who are primarily seeking a steady income. Investors must be willing to accept temporary fluctuations in the net asset value or price of fund units and not be reliant on realizing their investment at a specific date.

6.2 Sustainable Investing and ESG Integration

Sustainable investing is a relatively new topic for the financial sector, and the legal and regulatory framework is still at the development stage. In addition, new methodologies are being developed on an ongoing basis and the availability of data is improving continuously; this may have an impact on the implementation and monitoring of an ESG investment strategy as described below. Sustainable investing is the general term describing the appropriate consideration of environmental, social and governance criteria ("**ESG criteria**") in investment decisions. Although there is no conclusive list or generally binding definitions of the issues and criteria that can be summarized under the "ESG" concept, the following, for instance, may be understood:

1. **Environmental** ("E"): Taking into account the quality and functioning of the natural environment and natural systems, e.g. air, water and soil quality, CO_2 and climate, clean water, environmental performance and biodiversity, CO_2 emissions and climate change, energy efficiency, energy sources, scarcity of natural resources and waste management. Environmental criteria can be assessed based on key indicators for resource efficiency, e.g. heating requirement, energy consumption, use of renewables, commodity consumption, emissions, greenhouse gas emissions, water and waste consumption, land use as well as impacts on biodiversity, environmental pollution, recycling, and the circular economy.
2. **Social** ("S"): Taking into account criteria relating to the rights, security, well-being, health and interests of people and communities, e.g. human rights, working conditions and standards, spatial design, barrier-free building, spatial comfort and interior environment, visual and acoustic comfort, infrastructure, location, basic facilities, recreation and leisure activities.
3. **Governance** ("G"): Generally speaking, criteria concerning the proper management of companies and other investment-receiving entities such as the independence and supervision of the board of directors, the use of best practices and transparency, management remuneration, shareholder rights, management structure, anti-corruption measures and consideration of whistleblowers. In particular, ESG governance includes organization of the ESG Working Group and ESG Steering Committee with a view to management of sustainability topics and policy decisions. ESG governance is based on the Sustainable Investing Policy of Credit Suisse Asset Management (Switzerland) Ltd. and is committed to recognizing leading national and international frameworks as well as ESG real estate best practice. ESG governance is focused on ESG integration via the real estate value chain and creates the preconditions for achieving the ESG objectives.

Credit Suisse Asset Management (Switzerland) Ltd., Zurich, as asset manager, has produced a Sustainable Investing Policy setting out its approach and the action it takes in relation to sustainable investing. Multiple responsible bodies (including a dedicated ESG team) within Credit Suisse Asset Management (Switzerland) Ltd. support the development and implementation of the Sustainable Investing Policy at various levels through the provision of advice to management and supervisory bodies as well as the management of sustainable products (including through definition of the sustainability strategy and the maintenance of valuation criteria). This Sustainable Investing Policy is also applied to management of the Real Estate Fund by the asset manager. Implementation of the Sustainable Investing Policy within the investment process is documented and monitored by the asset manager. Specific deviations from the Sustainable Investing Policy are possible in accordance with the investment objective in the best interests of the Real Estate Fund. The Sustainable Investing Policy aims to incorporate ESG criteria into various stages of the investment process through the inclusion of guidelines for identifying sustainability-related opportunities and reducing specific sustainability risks (see below).

Sustainability approach

To integrate ESG criteria into the investment process (**ESG integration**) the asset manager – in accordance with the Sustainable Investing Policy – pursues the following three-part approach throughout the real estate investment life cycle (planning and development of real estate construction projects, acquisition of portfolio properties, operational management, refurbishment and demolition):

1. **Building certification**: Selected construction projects (new builds, replacement buildings and full refurbishments) are assessed based on standard market sustainability labels, certificates and energy certificates from third-party providers (e.g. LEED, BREEAM and DGNB) in order to gauge the quality of construction projects and properties in terms of their sustainability characteristics. The currently certified portfolio properties and construction projects, together with their share of the fund assets, are shown in the annual report of the Real Estate Fund.
2. **Building optimization**: The building optimization program aims to improve the energy efficiency of portfolio properties through selected short and long-term optimization measures throughout the life cycle of a property. To **reduce the emission intensity** of the real estate portfolio (kg CO_2e/m^2), the energy consumption and greenhouse gas emissions of the portfolio properties are measured on a continuous basis, with the asset manager applying the regulations and definitions of Asset Management Association Switzerland (AMAS) circular no. 04/2022 "Environmental indicators for real estate funds", which was published on May 31, 2022. Greenhouse gas emissions are calculated as CO_2 equivalents (CO_2e) based on energy consumption values in accordance with the Greenhouse Gas Protocol (GHGP) methodology. Scope 1 are direct emissions from the combustion of fuels used; Scope 2 are indirect emissions from purchased local and district heating and electricity for central facilities and communal areas; Scope 3 consists of indirect emissions from electricity purchases for rental premises and single-tenant properties. Up to 20% of the market values of the Real Estate Fund's completed buildings may be excluded from measurement in the case of single-tenant properties and condominiums for which no measured values are available, individual properties where there is a lack of data on heating energy and floor space, as well as properties where a sale or

full refurbishment is imminent. The asset manager endeavors to increase coverage of the real estate portfolio with data on energy consumption and greenhouse gas emissions.

3. **ESG benchmarking**: Annual ESG performance evaluation of real estate in the fund assets based on benchmarking initiatives, specifically the Global Real Estate Sustainability Benchmark (GRESB), with the Real Estate Fund seeking to achieve and retain a Green Star GRESB rating. In addition, the Real Estate Fund achieves "ESG Integration" classification on the basis of an ESG assessment in accordance with the asset manager's Sustainable Investing Policy.

Investors should be aware that the asset manager defines sustainability approaches independently and at its own discretion, and that it applies them to the selection of investments to be made or sold on behalf of the Real Estate Fund as part of the investment process.
Further information on the Sustainable Investing Policy and ESG integration for the Real Estate Fund is available online at www.credit-suisse.com/esg.

7 Detailed Regulations

All further information on the Real Estate Fund, such as the method used for the valuation of the Fund's assets, a list of all fees and incidental costs charged to the investor and the Fund, and the appropriation of net income, can be found in detail in the Fund Contract.

Part 2: Fund Contract

I. Basic Principles

§ 1 Fund Name, Investor Eligibility, Name and Registered Office of Fund Management Company, Custodian Bank, Asset Manager, and Waiver of CISA Provisions

1. Credit Suisse Real Estate Fund International has been established as a contractual fund of the “Real estate” category in accordance with Art. 25 ff. in conjunction with Art. 58 ff. of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 (CISA) for qualified investors as per Art. 10 para. 3 CISA in conjunction with Art. 4 paras. 3–5 or Art. 5 para. 1 and 4 of the Federal Act on Financial Services of June 15, 2018 (Financial Services Act, FinSA) as well as for qualified investors within the meaning of Art. 10 para. 3^{ter} CISA.
2. The fund management company is Credit Suisse Funds AG, Zurich.
3. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich.
4. The asset manager is Credit Suisse Asset Management (Switzerland) Ltd., Zurich.
5. In accordance with Art. 10 para. 5 CISA, and at the request of the fund management company and the custodian bank, FINMA has agreed to waive the following provisions in respect of this Real Estate Fund:
   a) the requirement for independence on the part of the other appraisers;
   b) the duty to permanently observe the borrowing limit (§ 14 prov. 2);
   c) the obligation to publish the price on a monthly basis;
   d) the obligation to ensure regular exchange and OTC trading in Real Estate Fund units.

   In accordance with § 8, the fund management company may to a limited extent invest in assets other than those prescribed for real estate funds under Art. 59 CISA.

   Contrary to Art. 59 para. 1 (b) CISA and Art. 59 para. 2 CISA in conjunction with Art. 88 CISO, the fund management company may, subject to certain conditions (§ 8 prov. 2–4) hold minority shares in real estate companies, co-ownership and condominium rights.

II. Rights and Obligations of the Parties to the Contract

§ 2 The Fund Contract

The legal relationship between investors on the one hand and the fund management company and the custodian bank on the other shall be governed by the present Fund Contract and the applicable provisions 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. It decides in particular on the issue of units, the assets and their valuation. It calculates the net asset value and determines the issue and redemption prices of units as well as distributions of income. 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 organizational measures that are necessary for proper management. They render account of the collective investment schemes they manage and provide information on all fees and expenses charged to investors directly or indirectly as well as on compensation received from third parties, in particular commissions, discounts or other financial benefits.
3. The fund management company may transfer investment decisions as well as specific tasks to third parties, provided this is in the interests of efficient management. It shall commission only persons who have the necessary expertise, knowledge and experience and who hold the requisite licenses and authorization. It carefully instructs and oversees the third parties engaged. The fund management company remains responsible for fulfilling the supervisory obligations and safeguards the interests of the investors when transferring tasks. The fund management company shall be liable for the actions of the parties to whom it has transferred tasks as if they were its own actions. The investment decisions may only be transferred to asset managers who have the requisite approval.
4. The fund management company may, with the consent of the custodian bank, submit a request for amendment of the present Fund Contract to the supervisory authority (cf. § 26).
5. The fund management company can merge the Real Estate Fund with other real estate funds pursuant to the provisions set out in § 24 and can dissolve it pursuant to the provisions set out in § 25.
6. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.
7. The fund management company is liable to the investors for ensuring that the real estate companies belonging to the Real Estate Fund comply with the provisions of the CISA and the Fund Contract.
8. The fund management and its agents and related natural persons or legal entities may not acquire any property from the Real Estate Fund nor transfer any to it.

   The supervisory authority may grant exemptions from the prohibition of transactions with related parties in justified individual instances if exemption is in the interests of the investors and, in addition to the estimation of the permanent appraisers of the Real Estate Fund, the market conformity of the purchase and sale price of the real estate asset and the transaction costs is confirmed by an appraiser who is independent of the permanent appraisers and their employer and of the fund management company and the custodian bank of the Real Estate Fund.

   Following the conclusion of the transaction, the fund management company prepares a report giving details of the individual real estate assets being acquired or transferred and their value on the closing date of the acquisition or transfer, together with the valuation report of the permanent appraisers and the report on the market conformity of the independent appraisal experts pursuant to Art. 32a para. 1 c CISO.

   In the course of its audit, the auditor confirms to the fund management company that the special duty of loyalty in relation to real estate investments has been complied with.

   The fund management company must make reference to the approved transactions with related parties in the annual report of the Real Estate Fund.
9. In addition to its ongoing scrutiny of the market value estimates carried out by the appraisers and their local agents, the fund management company conducts random, independent special audits on site.

§ 4 The Custodian Bank

1. The custodian bank is responsible for the safekeeping of the Real Estate Fund’s assets, in particular non-collateralized mortgage notes, as well as the shares in the real estate companies. It handles the issue and redemption of fund units as well as payments on behalf of the Real Estate Fund. For the ongoing management of real estate assets, it may hold accounts with third parties.
2. The custodian bank is responsible for account and safekeeping account management on behalf of the Real Estate Fund, but does not have independent access to its assets.
3. It ensures that in the case of transactions relating to the assets of the Real Estate Fund the counter-value is transferred thereto within the usual time limits. It notifies the fund management company if the counter-value is not refunded within the usual time limit and where possible requests reimbursement for the asset item concerned from the counterparty.
4. The custodian bank keeps the required records and accounts in such a manner that it is at all times able to distinguish between the assets of the individual funds held in safe custody.

   In relation to assets that cannot be placed in safe custody, the custodian bank verifies ownership of the fund management company and keeps a record thereof.
5. 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 organizational measures that are necessary for proper management. They render account of the collective investment schemes they hold in custody and provide information on all fees and expenses charged to the investors directly or indirectly as well as on compensation received

from third parties, in particular commissions, discounts or other financial benefits.

6. The custodian bank may delegate the safekeeping of fund assets to third-party custodians and central securities depositaries in Switzerland or abroad, provided this is in the interests of efficient management. It shall verify and monitor whether the third-party custodian or central securities depositary it has commissioned:
   a) possesses an appropriate organizational 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 kept in safe custody in such a manner that by means of regular portfolio comparisons they can at all times be clearly identified as belonging to the fund's 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 caused by the agent unless it can prove that it applied the degree of due diligence with regard to the selection, instruction and monitoring required in the given circumstances. The prospectus contains information about the risks associated with the transfer of safekeeping to third-party custodians and central securities depositaries.

   In the case of financial instruments, any transfer as referred to in the above paragraph may only be to regulated third-party custodians and central securities depositaries. This does not apply to mandatory safekeeping at a location where the transfer to regulated third-party custodians and central securities depositaries is not possible, in particular due to mandatory legal provisions or to the investment product's modalities. Investors must be informed in the prospectus of safekeeping by non-regulated third-party custodians or central securities depositaries.
7. The custodian bank ensures that the fund management company complies with the law and the Fund Contract. It checks whether the calculation of the net asset value 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 whether the income is appropriated in accordance with the Fund Contract. The custodian bank is not responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
8. The custodian bank is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The custodian bank and its agents and related natural persons or legal entities may not acquire any property from the Real Estate Fund nor transfer any to it.

   The supervisory authority may grant exemptions from the prohibition of transactions with related parties in justified individual instances if exemption is in the interests of the investors and, in addition to the estimation of the permanent appraisers of the Real Estate Fund, the market conformity of the purchase and sale price of the real estate asset and the transaction costs is confirmed by an appraiser who is independent of the permanent appraisers and their employer and of the fund management company and the custodian bank of the Real Estate Fund.

   In the course of its audit, the auditor confirms to the fund management company that the special duty of loyalty in relation to real estate investments has been complied with.

§ 5 The Investors (Restricted Investor Eligibility)

1. Investor eligibility is confined to qualified investors within the meaning of Art. 10 para. 3 CISA in conjunction with Art. 4 paras. 3–5 or Art. 5 para. 1 and 4 of the Federal Act on Financial Services of June 15, 2018 (Financial Services Act, FinSA) as well as qualified investors within the meaning of Art. 10 para. 3^{ter} CISA. The fund management company and the custodian bank shall ensure that the investors meet the investor eligibility requirements.

2. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company to a share of the Real Estate Fund's assets and income. The investor's claim is evidenced in the form of fund units.
3. The investors are only obliged to remit payment for the units of the Real Estate Fund which they subscribe. They shall not be held personally liable for the liabilities of the Real Estate Fund.
4. Investors may at any time request that the fund management company supply them with information regarding the basis on which the net asset value per unit is calculated. If investors express an interest in more detailed information on specific business transactions effected by the fund management company, such as the exercising 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 at the courts of the registered office of the fund management company that the auditors or another expert investigate the matter which requires clarification and furnish the investors with a report.
5. Subject to a notice period of twelve months, the investor may withdraw from the Fund Contract at the end of any accounting year by requesting that his/her share in the Real Estate Fund be redeemed in cash.

   Under certain circumstances, the fund management company may redeem units before the end of the accounting year (cf. § 17, prov. 2).

   Scheduled as well as early redemption takes place within four months of the close of the accounting year.
6. If requested, the investors are obliged to provide the fund management company, the custodian bank and their agents with proof that they comply with or continue to comply with the provisions laid down in the law or the Fund Contract in respect of participation in the Real Estate Fund. Furthermore, they are obliged to inform the fund management company, the custodian bank and their agents immediately once they no longer meet these prerequisites.
7. The fund management company in conjunction 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, specifically to combat money laundering;
   b) the investor no longer meets the statutory or contractual requirements for participation in the Real Estate Fund.
8. The fund management company in conjunction with the custodian bank can also make an enforced redemption of the units of an investor at the current redemption price if:
   a) the investor's participation in the Real Estate Fund is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if such participation could result in tax disadvantages for the Fund in Switzerland or abroad;
   b) investors have acquired or hold 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 where individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a pecuniary gain by exploiting the time differences between the setting of the closing prices and the valuation of the fund's assets (market timing);
   d) a fraction of a unit has arisen in the overall portfolio of an investor as a result of a split or merger performed in the interest of the investors.

   Redemption must be exclusive of commission and fees. If the management company intends to make use of this right, investors must be informed of such decision at least one month prior to redemption by means of a single notice in the media of publication, while the supervisory authorities and auditor must be notified in advance.

§ 6 Units and Unit Classes

1. The Real Estate Fund is not divided into unit classes.
2. Units do not take the form of actual certificates but exist purely as book entries. The investors are not entitled to demand delivery of a unit certificate in registered or bearer form. Units exist purely in book-entry form; they must be booked to and kept in safekeeping at Credit Suisse AG, Switzerland. For units that are not booked and held with the custodian bank, the banks responsible for the safekeeping of the

units must confirm to the custodian bank in writing that their clients qualify as eligible investors within the meaning of § 5 prov. 1 and that changes in this regard are reported.

III. Investment Policy Guidelines

A Investment Principles

§ 7 Compliance with Investment Regulations

1. In selecting individual investments and implementing the investment policy in accordance with § 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.
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 due to 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 Objective and Investment Policy

The investment objective of the Real Estate Fund is to achieve continuous capital growth, as well as to provide a regular, appropriate distribution of income, by investing in a geographically diversified, international real estate portfolio. In addition to risk and return considerations, the asset manager also includes environmental, social and governance ("ESG") criteria and the associated sustainability aspects as a key element of its investment decision-making process. By applying the "**ESG integration**" sustainability approach described in prov. 6.2 of the Prospectus throughout the real estate investment life cycle (planning and development of real estate construction projects, acquisition of portfolio properties, operational management, refurbishment and demolition), the Real Estate Fund invests the assets on a sustainable basis in overall terms. For selected construction projects (new builds, replacement buildings and full refurbishments) a **building certification** is performed on the basis of standard market sustainability labels, certificates and energy certificates from third-party providers (e.g. LEED, BREEAM and DGNB) in order to gauge the quality of properties in terms of their sustainability characteristics. The asset manager endeavors to increase a small portion of certified real estate investments in the fund assets in the case of new builds, replacement buildings and full refurbishments. The currently certified portfolio properties and construction projects, together with their share of the fund assets, are shown in the annual report of the Real Estate Fund. **Building optimization** aims to improve the energy efficiency of portfolio properties through selected short and long-term optimization measures throughout the life cycle of a property. To **reduce the emission intensity** of the real estate portfolio (kg CO_2e/m^2), the energy consumption and greenhouse gas emissions of the portfolio properties are measured on a continuous basis, with the asset manager applying the regulations and definitions of Asset Management Association Switzerland (AMAS) circular no. 4/2022 "Environmental indicators for real estate funds", which was published on May 31, 2022. Up to 20% of the market values of the Real Estate Fund's completed buildings may be excluded from measurement in the case of single-tenant properties and condominiums for which no measured values are available, individual properties where there is a lack of data on heating energy and floor space, as well as properties where a sale or full refurbishment is imminent. Further information on the measurement of CO_2e emissions can be found in the Prospectus. **ESG benchmarking** includes an annual ESG performance evaluation of real estate in the fund assets based on benchmark initiatives, specifically the Global Real Estate Sustainability Benchmark (GRESB), with the Real Estate Fund seeking to achieve and retain a Green Star GRESB rating. In addition, the Real Estate Fund achieves "ESG Integration" classification on the basis of an in-house ESG assessment by the asset manager. In the case of indirect real estate investments as well, the asset manager seeks to comply with the sustainability requirements; however, it does not have any ability to influence compliance with them and is not always able to monitor the situation. Up to 35% of the assets of the Real Estate Fund may therefore be invested in instruments specified in prov. 2 b), c) and e) below, where the above-mentioned sustainability approach may be only partly applied. Further information can be found in the prospectus.

1. The fund management company may invest the assets of this Real Estate Fund in real estate assets located in the countries of North, Central and South America, the Asia-Pacific region and Europe on an equal basis of 33% in each case, subject to a deviation tolerance of +/–20%. The risks involved in these investments are disclosed in the Prospectus. The assets of this Real Estate Fund shall be invested mainly in quality real estate with a stable income flow and in other investments as permitted by this Fund Contract. Quality real estate is deemed primarily to comprise commercial and residential properties located in centers of economic activity, characterized by tenants with good credit ratings as well as by long-term rental agreements. Foreign investments are permitted in those countries in which it is possible to obtain market-value estimates in compliance with Swiss regulations. To achieve a tax-efficient structure, the fund management company may hold the real estate assets, depending on the particular characteristics of the country concerned, either directly or indirectly via one or more subsidiary companies. Accordingly, the Real Estate Fund may hold real estate with direct or indirect land ownership. Land holdings are entered in the land register either directly or indirectly in the name of the fund management company together with a note indicating the affiliation to the Real Estate Fund.
2. The Real Estate Fund may invest in the following:
   a) Land and the attendant assets worldwide (excluding Switzerland)
   The above include:
      - residential buildings in the sense of real estate that is used for residential purposes
      - commercial properties
      - mixed-use buildings
      - condominiums
      - building land (including properties for demolition) and buildings under construction; undeveloped land must be connected to the infrastructure network and be suitable for immediate development as well as possess a legally effective planning permit for its development. Execution of the construction work must begin prior to expiration of the validity period for the individual planning permit.
      - lots under leasehold (including buildings and easements)

   Ordinary co-ownership of land and condominium property is permitted only if at least 25% of the entire property is held, regardless of whether the fund management company can exert a controlling influence.

   b) Investments in and claims on real estate companies whose sole objective is the purchase, sale, rental, lease or development of their own property, provided that at least 25% of their capital and voting rights are incorporated in the Real Estate Fund and that minority rights (such as convening of an extraordinary general meeting) are accorded. If no minority rights are granted, the Real Estate Fund must hold at least two thirds of the capital and of the voting rights.
   c) Units of other Swiss or foreign real estate funds (including real estate investment trusts) and real estate companies (which must not be the same as those mentioned in prov. b above) and real estate investment certificates denominated in any currency. Units in closed-end funds and shares in real estate companies may be acquired, provided they are traded on a stock exchange or another regulated market open to the public. The acquisition of units of real estate funds which are managed by the fund management company or a closely connected company is expressly permitted in this context. With regard to such investments, no payments pursuant to § 19 prov. 1 may be charged to the Fund's assets. Furthermore, the target fund may not charge any issue and redemption commission. Subject to § 19 prov. 7, the fund management company may acquire units of other target funds that are managed directly or indirectly by the fund management company itself or by a company with which it is related by virtue of common management or control or by way of a significant direct or indirect stake.

d) Foreign investments are permitted only in those countries in which it is possible to obtain market-value estimates in compliance with Swiss regulations.
e) Mortgage notes or other contractual charges on real estate.
f) Minority shares pursuant to provs. a) and b) above (real estate companies with less than a two-thirds share in capital or voting rights, or co-ownership without a controlling influence) may only be acquired if the following conditions are met:
   – the co-investors must be known to the fund management company;
   – there must be an unrestricted right to sell the units at any time, subject to a possible right of pre-emption on the part of the co-investors;
   – the market value has been established by an appraisal compliant with the provisions of CISA;
   – in the case of holdings in real estate companies the share of voting rights must not be less than that of capital; and
   – investments in minority holdings may not exceed 50% of Fund assets.
g) Depending on the particular characteristics of the country concerned, the real estate assets may be held via subsidiary companies where in each case a majority of the members of the board of directors comprise members of the board of directors of the management company, employees of the management company or employees of the asset manager. The management company ensures, by way of selection, instruction and supervision of the asset manager, that its supervisory rights with regard to these subsidiary companies are upheld. Where national regulations within the target investment country stipulate that local directors must enjoy equal representation on the board of directors, measures must be taken to ensure that the Chair of the Board – who is a member of the Board of Directors of the fund management company or an employee of the asset manager – has the casting vote. If a casting vote is not permitted by local law, the controlling shareholder should have the casting vote. Such subsidiary companies must be at least 95%-owned by the Real Estate Fund, and the residual share of capital and voting rights must be in the possession of companies connected to the fund management company. The subsidiary companies hold investments exclusively for the Real Estate Fund's account, and the provisions in this Fund Contract with respect to the Fund apply equally to all investments of the subsidiary companies. For accounting purposes, the investments of the subsidiary companies shall be consolidated with the investments of the Real Estate Fund itself.

3. The fund management company may have buildings constructed for the Real Estate Fund's account. In such cases, it may credit building loan interest at prevailing market rates to the fund's profit and loss account during the period of preparations, construction or renovation in respect of vacant land and unfinished buildings, provided the resulting cost does not exceed the estimated market value. Following the completion of construction, the fund management company shall obtain an estimate of the market value.
4. The fund management company may only use derivative financial instruments to hedge market, currency and interest rate risks.
5. The fund management company shall ensure appropriate liquidity management.

§ 9 Securing of Liabilities and Short-Term Funding

1. For the purpose of securing its liabilities, the fund management company must hold an appropriate proportion of the Real Estate Fund's assets in short-term fixed-interest securities or in short-term liquidity. It may hold these securities and funds in the accounting currency of the Real Estate Fund and in other currencies in which the liabilities are denominated.
2. Liabilities are deemed to be loans taken out, obligations arising in the course of business, and all claims arising from the redemption of units.
3. Short-term fixed-interest securities are deemed to be debt instruments with a duration or residual duration of no more than 12 months.
4. Short-term liquidity is deemed to include cash holdings, balances on postal and bank balances at sight and time with a term of up to 12 months, in addition to firmly agreed credit limits with a bank which amount to no more than 10% of net fund assets. The credit limits count toward the upper limit for pledging stipulated in § 14 prov. 2.
5. For the securing of imminent construction projects, fixed-interest securities with a maturity or residual maturity of no more than 24 months may be held.

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 repurchase agreements.

§ 12 Derivatives

1. The fund management company may only use derivative financial instruments to hedge market risks (especially changes in real estate prices), currency risks, and interest rate risks. It shall ensure that, even under extreme market circumstances, the financial effect of the use of derivatives does not result in a deviation from the investment objectives set out in this Fund Contract, in the Prospectus and in the Key Information Document, and that it does not change the investment character of the Fund. Furthermore, the underlyings of the derivatives must be permitted as investments according to the present Fund Contract. In this way, the real estate fund hedges the currency risk for at least 80% of the net exposure of the market values in the respective foreign currency. The actual share of the currency hedge can be seen in the annual and semi-annual reports.
   In connection with collective investment schemes, derivatives may only be used to hedge currency risks. Derivative instruments are permitted for the hedging of market and interest rate risks in relation to collective investment schemes, provided the risks are clearly identifiable and measurable.
2. The use of derivatives is limited to derivative positions that reduce exposure and whose economic impact is similar to the sale of an underlying or the reduction of a liability (borrowing transaction). Where currency hedging against the Swiss franc is either not possible directly or direct currency hedging does not make sense in economic terms, hedging can take place via a third currency ("cross currency forward foreign exchange transaction"). The related increase in the gross exposure is permitted. The process for measuring risk is the same as modified Commitment Approach I. Taking into account the collateral required under this paragraph, the use of derivatives does not exert a leverage effect on the assets of the funds or correspond to a short sale. The use of credit derivatives is not permitted.
3. Only basic types of derivative may be used. These comprise:
   a) Call or put options whose value at expiration 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 algebraic sign.
   b) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner.
   c) Future and forward transactions whose value is linearly dependent on the value of the underlying.
4. a) In the case of exposure-reducing derivatives, the arising obligations subject to sections b) and d) must be covered at all times by the underlyings of the derivative.
   b) Hedging with investments other than the underlyings is permissible with exposure-reducing derivatives that are based on an index which is calculated by an external, independent body, which is representative for the investments serving as hedges, and which has an appropriate correlation to these investments.
   c) The fund management company must have unrestricted access to these underlyings or investments at all times. Underlyings or investments may be used to cover several exposure-reducing derivative positions at the same time if they are subject to a market risk, interest rate risk or currency risk and are based on the same underlyings.
   d) An exposure-reducing derivative can be weighted by the delta in the calculation of the corresponding underlyings.

5. The fund management company must take into account the following rules when netting derivative positions:
   a) Opposite positions in derivatives relating to the same underlying as well as opposite positions in derivatives and investments relating to 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 eligible 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, in addition to the rules of lit. a above, any netting must also fulfill hedging prerequisites, i.e. derivatives transactions may not be based on an investment strategy designed to generate a profit. In addition, the derivative must lead to a demonstrable reduction of risk, the risks of the derivative must be balanced out, derivatives, underlyings or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must be effective even under extraordinary market conditions.
   c) Derivatives that are used purely to hedge foreign currency risks and do not involve any leverage effect or additional market risks may be netted when calculating overall derivatives exposure, without being subject to the requirements of lit. b.
   d) Covered hedging transactions involving interest rate derivatives are permissible. Convertible bonds need not be taken into account when calculating the overall exposure to derivatives.
6. The fund management company may use both standardized and non-standardized derivatives. It may conclude transactions in derivative financial instruments on an exchange or another regulated market open to the public or in OTC (over-the-counter) trading.
7. a) The fund management company may conclude OTC transactions only with regulated financial intermediaries specialized in such types of transactions that ensure proper execution of the contract. If the counterparty is not the custodian bank, the former or its guarantor must have a high credit rating.
   b) It must be possible to reliably and verifiably 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 using an appropriate valuation model that is recognized in practice, based on the market value of the underlyings. Before concluding a contract for such a derivative, specific offers should in principle be obtained from at least two potential counterparties, following which the contract should be concluded with the counterparty providing the most favorable offer in terms of price. Deviations from this principle are permissible for reasons of risk diversification or if other aspects of the contract such as the credit rating or range of services offered by the counterparty make another offer appear more advantageous for investors overall. Moreover, in exceptional situations the requirement to obtain offers from at least two potential counterparties may be waived if this is deemed to be in the best interests of investors. The reasons for this and the conclusion of the contract and its pricing shall be clearly documented.
   d) The fund management company and its agents may only accept collateral in the context of an OTC transaction if it meets the requirements set out under Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and must not be the counterparty itself or a company belonging to, or otherwise dependent on, the corporate group of the counterparty. The collateral must be highly liquid, must be traded at a transparent price on an exchange or on another regulated market open to the public, and must be valued at least once a day on all trading days. When managing the collateral, the fund management company and its agents must fulfill the obligations and requirements set out under Art. 52 CISO-FINMA. In particular, they must ensure appropriate diversification of the collateral by country, market, and issuer; appropriate issuer diversification is deemed to have been achieved as long as the collateral of a single issuer does not correspond to more than 20% of the net asset value. Exceptions for publicly guaranteed or publicly issued investments pursuant to Art. 83 CISO remain reserved. Furthermore, the fund management company and its agents must be able to demand, at any time, right and power of disposal with respect to the collateral received in the event of default on the part of the counterparty, and without the involvement or approval of the counterparty. The collateral received must be held in safekeeping with the custodian bank. The collateral received may be held by a supervised third-party depositary on the fund management company's behalf, provided the collateral's ownership is not transferred to the fund management company and the depositary is independent of the counterparty.
8. In respect of compliance with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives shall be taken into account in accordance with the legislation on collective investment schemes.
9. Section 1.2 of the Prospectus contains further details on:
   – the importance of derivatives as part of the investment strategy;
   – the actual use of derivatives
   – the effect of the use of derivatives on the Fund's risk profile;
   – the counterparty risks of derivatives.

§ 13 Taking Up and Extending Loans
1. The management company may provide loans or act as guarantor to companies where at least two-thirds of the capital and votes are combined within the Real Estate Fund.
2. With the exception of prov. 1 and of mortgage notes or other contractual charges on property, the management company may not grant loans for the account of the Real Estate Fund nor may it encumber its assets with guarantees.
3. The fund management company may borrow money for the Real Estate Fund's account.

§ 14 Encumbrance of the Properties
1. The fund management company may pledge land and cede the rights of lien as collateral.
2. However, the average encumbrance for all properties may not exceed one third of the market value. To safeguard liquidity, the encumbrance may by way of exception be temporarily increased to one half, provided the interests of the investors are protected. In this event, the auditor must comment on the requirements of Art. 96 para. 1^{bis} CISO in the course of its audit of the Real Estate Fund.

C Investment Restrictions
§15 Risk Spreading and Limitations Thereon
1. The investments must be diversified in terms of properties, types of use, age, fabric of buildings, and geographical location.
2. Investments must be spread over at least ten properties. Residential estates built on the same structural principles, as well as adjacent plots of land, count as a single property.
3. The market value of a single property may not amount to more than 25% of the Fund's assets.
4. Furthermore, in implementing the investment policy pursuant to §8 the fund management company shall observe the following investment restrictions in terms of Fund assets:
   a) building land, including properties for demolition, buildings under construction, and building projects: max. 30%
   b) leasehold land: max. 30%
   c) mortgage notes and other contractual rights or lien on real estate: max. 10%
   d) units in other Swiss or foreign real estate funds and real estate investment companies: max. 25%
   e) direct and indirect real estate investments in emerging markets: max. 20% in total.
   f) The investments specified in a) and b) above must together not exceed 40% of the Fund's assets.

IV. Calculation of Net Asset Value, Issue and Redemption of Units, Appraisers

§ 16 Calculation of Net Asset Value and Involvement of Appraisers
1. The net asset value of the Real Estate Fund is calculated in Swiss francs on the basis of market prices as at the end of the accounting year, as well as on every occasion on which units are issued.

2. At the close of each accounting year, and for each occasion on which units are issued, the fund management company shall seek verification of the market value of the properties (including buildings under construction) belonging to the Real Estate Fund from independent appraisers. To this end the fund management company, with the consent of the supervisory authority, shall appoint at least two natural persons or one legal entity as independent appraisers (see Prospectus, prov. 4.4.).
   For the purpose of valuing foreign properties, the appraisers may appoint additional agents abroad. This allows the appraisers to ensure that market value estimates comply with Swiss regulations, and that the additional agents comply at all times with the relevant requirements of Art. 64 para. 2 CISA and those of the supervisory authority. The appraisers are obliged to notify the fund management company about the appointment of additional agents.
   The properties shall be physically inspected by the appraisers or their agents at least every three years.
   When real estate is purchased/sold, the fund management company arranges an appraisal of the real estate in advance. A fresh appraisal is not necessary in the event of a sale provided the existing valuation is no older than three months and no material change in circumstances has occurred.
3. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized 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 another regulated market open to the public, the fund management company may calculate their value in accordance with prov. 3.
5. The value of short-term fixed-interest instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: The valuation price of such investments, based on the net acquisition price, shall be progressively adjusted to the redemption price while keeping the resulting investment return constant. If there are significant changes in market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the 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 account and bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
7. Real estate is valued for the Real Estate Fund in accordance with the current Asset Management Association Switzerland guidelines for real estate funds.
8. The valuation of vacant land and buildings under construction is carried out in accordance with the lower of cost or market. The fund management company arranges for the market value of buildings under construction to be estimated at the end of the accounting year.
9. The market value is calculated on a uniform basis using the discounted cash flow (DCF) method. This does not apply to any undeveloped land, which is valued using the comparison and residual value method. With the DCF method, the market value of a property is determined as the total of all projected future net earnings discounted to valuation-date equivalents. A market discount rate is applied to each property in line with market values and is adjusted for risk, i.e. account is taken of the property's individual opportunities and risks.
10. The net asset value of a unit represents the market value of the Real Estate Fund's assets, less any liabilities of the Fund and the likely taxes and duties incurred on a possible liquidation of the Fund's assets, divided by the number of units in circulation. It is rounded to two decimal places.

§ 17 Issue and Redemption of Units, and Trading

1. The issuing of units is in principle possible at any time, but may only take place in the form of tranches whereby the existing number may not be more than doubled. The fund management company shall first offer new units to the existing investors.
2. Redemptions of units must comply with § 5 prov. 5. Units on which notice has been served during an accounting year may be redeemed early at the close of said accounting year by the fund management company, providing:
   a) the investor has requested this in writing at the time of serving notice;
   b) the wishes of all investors who have requested early redemption can be met.
3. The fund management company does not ensure any regular exchange or OTC trading in the Real Estate Fund units.
4. The issue and redemption price of the units is based on the net asset value calculated on the valuation day in accordance with § 16. Incidental costs (transfer taxes, notary costs, fees, standard brokerage fees, duties, etc.) incurred in purchasing investments are charged to the Fund's assets in proportion to the amount paid in. The incidental costs incurred by the Real Estate Fund on the sale of a portion of the investments corresponding to the unit/s redeemed shall be deducted. The precise rate applied at redemption is stated in the relevant settlement note. Furthermore, in the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18 and in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18. The issue and redemption prices are rounded up or down to the nearest five Swiss francs.
5. The fund management company may suspend the issue of units at any time, and may reject applications for the subscription or switching of units.
6. 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 is the basis for the valuation of a significant proportion of the Fund's 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 can no longer transact its business;
   d) in the event of large-scale redemptions that could significantly affect the interests of the remaining investors.
7. The fund management company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions, and must also inform the investors in a suitable manner.
8. For as long as the redemption of units is delayed for the reasons given in prov. 5 a) to c), the issue of units shall be suspended.

V. Fees and Incidental Costs

§ 18 Fees and Incidental Costs Charged to the Investor

1. When units are issued, investors may be charged an issuing commission payable to the fund management company, the custodian bank and/or distributors within Switzerland or abroad. This commission may not in total exceed 1.5% of the newly calculated net asset value. The current rate applied is shown in the Prospectus and the Simplified Prospectus.
2. When units are redeemed, investors may be charged a redemption commission payable to the fund management company, the custodian bank and/or selling agents within Switzerland or abroad. This commission may not in total exceed 1.75% of the net asset value. The current rate applied is shown in the Prospectus.
3. When units are redeemed, the fund management company shall also charge the incidental costs incurred by the Real Estate Fund on average on the sale of a portion of the investments corresponding to the units redeemed (cf. § 17 prov. 4), this accruing to the Fund assets.

§ 19 Fees and Incidental Costs Charged to the Fund's Assets

1. For the administration of the Real Estate Fund and the real estate companies, the asset management and distribution activities in

relation to the Real Estate Fund, the fund management company shall charge the Fund an annual fee of up to 1.50% p.a. of the total fund assets at the beginning of the accounting year (management fee, including distribution fee).
The actual management fee applied in any given case is shown in the annual and semiannual report.

2. For the safekeeping of the Real Estate Fund's assets, handling of the its payment transactions and performance of the custodian bank's other tasks listed under § 4, the custodian bank shall charge the Real Estate Fund an annual fee of a maximum of 0.05% of the Fund's net asset value at the beginning of the accounting year (custodian bank fee).
The custodian bank fee actually applied in any given case is shown in the annual and semi-annual report.
3. Furthermore, the fund management company and the custodian bank shall be entitled to reimbursement of the following costs incurred in the course of executing the Fund Contract:
   a) costs for the purchase and sale of investments, specifically standard brokerage charges, commission, taxes and duties, as well as the cost of verifying and maintaining quality standards in relation to physical assets;
   b) fees charged by the supervisory authority for establishing, amending, liquidating and merging the Real Estate Fund;
   c) annual fees charged by the supervisory authority;
   d) fees charged by the auditor for annual auditing as well as certification in connection with establishing, amending, liquidating and merging of the Real Estate Fund;
   e) fees paid for legal and tax advice in connection with establishing, amending, liquidating or merging the Real Estate Fund, as well as acting in the interests of the Real Estate Fund and its investors;
   f) costs for the publication of the net asset value of the Real Estate Fund, as well as all costs for the issuing of notices to the investors including translation costs, where such costs are not ascribed to an error on the part of the fund management company;
   g) cost of printing legal documents as well as the annual and semi-annual reports of the Real Estate Fund;
   h) costs incurred by registering the Real Estate Fund with a foreign supervisory authority, specifically the commission levied by the foreign supervisory authority, translation costs and compensation for the representative or paying agent abroad;
   i) costs in connection with the exercising of voting rights or creditors' rights by the Real Estate Fund, including fees for external consultants;
   j) costs and fees in connection with intellectual property or usage rights registered in the Real Estate Fund's name;
   k) all costs incurred as a result of extraordinary steps taken by the fund management company, the asset manager or the custodian bank to safeguard the interests of the investors.
4. Furthermore, the fund management company and the custodian bank are also entitled to reimbursement of the following costs incurred in the course of executing the fund contract:
   a) costs for the acquisition and sale of real estate investments, specifically standard agency fees, consultants' and lawyers' fees, notary and other charges, as well as taxes;
   b) standard brokerage charges paid to third parties in connection with the first-time rental of properties in the case of new buildings and following renovation;
   c) standard costs for the management of properties by third parties;
   d) property expenses, in particular maintenance and operating costs, including insurance costs, public fees as well as costs for infrastructure and other services, provided they are charged at standard market rates and are not borne by third parties;
   e) fees of the independent appraisal experts, their agents, and any other experts for investigations/evaluations conducted to serve the interests of the investors;
   f) advisory costs and the cost of proceedings in connection with acting in the interests of the Real Estate Fund and its investors.
5. The fund management company may charge a fee for its own efforts in connection with the following activities, provided the activity is not performed by third parties:
   a) purchase and sale of land and property as an "asset deal" (direct purchase and sale of land and property) and/or as a "share deal" (purchase and sale of investments in real estate companies which hold the land and property), up to 3.0% of the purchase/sale price, unless the asset manager entrusted a third party with the transaction. Purchase and sales commission in relation to external brokers shall be charged separately;
   b) construction of properties, as well as renovation and conversion projects, up to 2.0% of the construction cost;
   c) management of properties, up to 5.0% of the annual gross rental receipts.
6. Furthermore, under Art. 37 para. 2 CISO the fund management company may charge the following incidental costs to the Fund's assets:
   a) costs and fees in connection with any listing and/or capital increase of the Real Estate Fund.
7. The costs, fees and taxes in connection with the construction of buildings, renovations and conversions (specifically standard planners' and architects' fees, building permit fees and connection charges, cost of granting easements, etc.) are added directly to the set-up costs for the real estate investments.
8. Where possible, the costs pursuant to prov. 3 a) and prov. 4 a) are added directly to the acquisition cost/deducted directly against the salable value, otherwise under expenses.
9. Payments by real estate companies to their directors, executives and personnel shall be included in the compensation to which the fund management company is entitled in accordance with § 19.
10. The fund management company and its agents do not pay trailer fees to cover the distribution of fund units or rebates to the investors in order to reduce the fees and costs charged to the Real Estate Fund.
11. If the fund management company acquires units of 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 stake ("related target funds"), it may not charge the Real Estate Fund any issuing or redemption commissions of the associated target fund.

VI. Financial Statements and Audits

§ 20 Financial Statements

1. The Real Estate Fund's unit of account is the Swiss franc.
2. The accounting year runs from January 1 until December 31.
3. The fund management company shall publish an audited annual report for the Real Estate Fund within four months of the end of the financial year.
4. The fund management company shall publish a semi-annual report for the Real Estate Fund within two months following the end of the first half of the accounting year.
5. The investor's right to obtain information under § 5 prov. 4 is reserved.

§ 21 Audits

The auditors shall examine whether the fund management company, the subsidiaries pursuant to § 8 prov. 2 g) and the custodian bank have acted in compliance with the statutory and contractual provisions as well as any applicable provisions of the code of conduct of the Asset Management Association Switzerland. The annual report shall contain a short report by the auditors on the published annual financial statements.

VII. Appropriation of Net Income

§ 22

1. The net income of the Real Estate Fund shall be distributed to the investors in the unit of account, Swiss francs, each year, the distribution being paid within four months of the end of the financial year.
The fund management company may make additional interim distributions from the income.
2. Up to 30% of the net income may be carried forward to the new account. If the net income in a financial year including income carried forward from previous financial years is less than 1% of the net assets and less than CHF 1 per unit, a distribution may be waived and the entire net income may be carried forward to the new account.
3. All or part of any realized capital gains from the sale of assets and rights may be distributed by the fund management company or retained for reinvestment.

VIII. Publications of the Real Estate Fund

§ 23

1. The media of publication of the Real Estate Fund are deemed to be the print media or electronic media specified in the Prospectus. Notification of any change in a medium of publication shall be published in the media of publication.
2. The following information shall in particular be published in the media 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, as well as the liquidation of the Real Estate Fund. Amendments that are required by law that do not affect the rights of investors or that are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.
3. The issue and redemption prices and/or the net asset value of the Real Estate Fund are obtainable from the fund management company on request.
4. The Sales Prospectus with Integrated Fund Contract, the Key Information Document and the latest annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and from all distributors.

IX. Restructuring and Dissolution

§ 24 Mergers

1. Subject to the consent of the custodian bank, the management company may merge real estate funds by transferring at the time of such merger the assets and liabilities of the fund(s) being acquired to the acquiring fund. The investors of the real estate fund being acquired shall receive the corresponding number of units in the acquiring real estate fund. Any fractions may be paid out in cash. The real estate fund being acquired is terminated without liquidation when the merger takes place, and the fund contract of the acquiring real estate fund shall also apply for the fund being acquired.
2. Real estate funds may only be merged 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 are basically identical in terms of the following provisions:
      – the investment policy, investment techniques, risk diversification, as well as the risks associated with the investment
      – the appropriation of net income and capital gains
      – the type, amount and calculation of all fees, the issue and redemption commission together with the incidental costs for the purchase and sale of the investments (transfer taxes, notary costs, fees, standard brokerage fees, duties) that may be charged to the fund's assets or to the investors
      – the redemption conditions
      – the duration of the contract and the conditions of dissolution;
   d) the valuation of the assets of the real estate funds involved, the calculation of the exchange ratio and the transfer of the assets and liabilities must take place on the same day;
   e) no costs shall arise as a result for either the real estate funds or the investors.
   This is subject to § 19 prov. 4 b) as well as d) and e).
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 real estate funds involved.
4. The fund management company must submit the proposed merger together with the merger schedule to the supervisory authority for review at least one month before the planned publication of the intended changes to the Fund Contract. The merger schedule must contain information on the reasons for the merger, the investment policies of the real estate funds involved and any differences between the acquiring fund and the fund 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 statutory auditors as per the Collective Investment Schemes Act.
5. The fund management company must publish the intended changes to the Fund Contract pursuant to § 23 prov. 2 and the proposed merger and its timing together with the merger schedule at least two months before the planned date of merger in the media 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 against the proposed changes to the Fund Contract with the supervisory authority within 30 days from the final publication/notice or request redemption of their units.
6. The auditors must check directly that the merger is being carried out correctly, and shall submit a report containing their comments in this regard to the fund management company and the supervisory authority.
7. The fund management company shall inform the supervisory authority of the conclusion of the merger and shall publish notification of the completion of the merger, the confirmation from the auditors regarding the proper execution of the merger and the exchange ratio without delay in the media 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 real estate fund and in any semi-annual report due to be published before such annual report. 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 real estate fund being acquired.

§ 25 Life 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 at one month's 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 5 million Swiss francs (or the equivalent).
4. The fund management company shall inform the supervisory authority of the dissolution immediately and shall publish notification in the media 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 must be liquidated forthwith. 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 installments. Prior to the final payment, the fund management company must obtain authorization from the supervisory authority.

X. Changes to the Fund Contract

§ 26

If changes are made to the present Fund Contract, or if a change of the fund management company or of the custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the last corresponding publication/notice. In the media of publication, the fund management company informs investors of those changes to the Fund Contract which are covered by FINMA's verification and ascertainment of compliance with the law. In the event of a change to the Fund Contract, the investors can 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 prov. 2 that have been exempted from the duty to publish with the approval of the supervisory authority.

XI. Applicable Law and Jurisdiction

§ 27

1. The Real Estate Fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of June 23, 2006, the Ordinance on Collective Investment Schemes of November 22, 2006, and the Ordinance of the Swiss Federal Banking Commission on Collective Investment Schemes of August 27, 2014.
   The court of jurisdiction is the court at the fund management company's registered office.
2. For the interpretation of the Fund Contract, the German-language version shall be binding.
3. The present Fund Contract came into force on November 30, 2023.
4. The present Fund Contract supersedes the Fund Contract dated March 22, 2023.

5. When approving the Fund Contract, FINMA only verifies the provisions pursuant to Article 35a (1) a-g CISO and ensures their compliance with the law.

Date of approval of the Fund Contract by the Swiss Federal Financial Market Supervisory Authority (FINMA): November 22, 2023.