



**J. Safra Sarasin**

# Suisse Romande Property Fund Part II: Fund Contract

**Real Estate Fund regulated under Swiss Law  
Prospectus with integrated fund contract**

**31 March 2023**

**Fund Management Company**

JSS Real Estate Management Ltd  
Rue de la Corraterie 4  
CH-1204 Geneva

**Custodian Bank**

Bank J. Safra Sarasin Ltd  
Elisabethenstrasse 62  
CH-4051 Basel

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# Contents

I.	Basic principles	<b>1</b>
II.	Rights and obligations of the contracting parties	<b>1</b>
III.	Investment policy guidelines	<b>4</b>
IV.	Calculation of the net asset value, unit issue and redemption and valuation experts	<b>5</b>
V.	Remuneration and incidental costs	<b>7</b>
VI.	Financial statements and audits	<b>8</b>
VII.	Appropriation of net income	<b>9</b>
VIII.	Real estate fund publications	<b>10</b>
IX.	Restructuring and dissolution	<b>10</b>
X.	Approval and amendment of the investment fund contract	<b>12</b>
XI.	Applicable law and jurisdiction	<b>12</b>



## Part II: Fund Contract

### I. Basic principles

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

1. The “Suisse Romande Property Fund” has been established as a contractual investment fund in the “real estate” category (hereinafter “fund”, “investment fund” or “real estate fund”) in accordance with Art. 25 et seq., in connection with Art. 58 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The fund management company is JSS Real Estate Management Ltd, in Geneva.
3. The custodian bank is the Bank J. Safra Sarasin SA (hereinafter BJSS), in Basel.

4. BJSS and/or any other bank or a securities trader with its registered office or a branch in Switzerland shall act as the market maker for the fund. The fund management company is entitled to appoint several market makers. The market maker(s) shall be specified in the prospectus.
5. The investment decisions are not delegated.
6. At the request of the fund management company and the custodian bank and in accordance with Article 78, paragraph 4 CISA, FINMA has exempted this investment fund from the obligation for investors to subscribe for units in cash.

### II. Rights and obligations of the contracting parties

#### § 2 Investment 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 investment fund contract and the current legal provisions of the legislation on collective investment schemes.

#### § 3 Fund management company

1. The fund management company manages the real estate fund at its own discretion and in its own name but on behalf of investors. In particular, it decides on the issue of units, investments and their valuation. It calculates the net asset value and determines issue and redemption prices in addition to income distributions. It exercises all rights associated with the real estate fund.
2. The fund management company and its agents are subject to a duty of loyalty, a duty to proceed with due diligence and a duty to provide information. They act independently and exclusively in the interest of the investors. They implement the organisational measures that are necessary for proper management. They report on the collective investment schemes that they manage and provide investors with information about all the fees and costs directly or indirectly incurred, and about the remuneration received from third parties, particularly in the form of commissions, rebates and other financial benefits.
3. The fund management company may delegate investment decisions as well as partial tasks to third parties, whenever this may be in the interests of ensuring appropriate management. It shall only appoint people who have the required skills, knowledge and experience, as well as the necessary authorisations, to perform these activities. It shall instruct and

carefully supervise the persons it has appointed. Investment decisions may only be delegated to asset managers in possession of the requisite authorisation.

The fund management company shall remain responsible for compliance with prudential obligations and ensure that the interests of investors are protected when tasks are delegated. The fund management company is responsible for its own actions as well as the actions of the persons to whom it has entrusted these tasks.

4. With the consent of the custodian bank, the fund management company submits amendments to this investment fund contract to the supervisory authority for approval (see § 27).
5. The fund management company may merge the present real estate fund with other real estate funds, in accordance with the provisions of § 24, or dissolve it, in accordance with the provisions of § 26.
6. The fund management company shall verify that the market maker(s) is/are organizing, at least on a weekly basis, an open and regular market on a stock exchange or OTC for all the fund's units classes.
7. The fund management company may give the market maker(s) information or data relating to the net asset value, the development of the fund's assets, or similar information, provided that such data is simultaneously held at the investors' disposal.
8. The fund management company is entitled to receive the remuneration stipulated in § 18 and §19, to be exempted from any liabilities which may have arisen in the proper performance of the collective investment contract, and to receive

reimbursement of the expenses incurred in connection with such liabilities.

9. The fund management company is liable towards investors for compliance with the CISA and the fund contract by the real estate companies making up the real estate fund.
10. The fund management company and its agents, as well as closely related natural and legal persons, may not acquire real estate assets from the real estate investment fund or assign any such assets to it.

Individual situations may arise where the supervisory authority may grant an exemption from the ban on transactions with closely related persons if this is justified and in the interests of investors, and if in addition to the real estate fund's regular experts, a valuation expert who is independent of these regular experts and their employer, the fund management company and the real estate fund's custodian bank confirms the market conformity of the purchase and sale price for the real estate asset, and of the transaction costs.

Following the conclusion of the transaction, the fund management company shall prepare a report containing information about the different real estate assets acquired or disposed of, and about their value on the reference date of the acquisition or disposal, together with the appraisal report of the regular valuation expert and the report on the market conformity of the purchase or sale price within the meaning of Article 32, paragraph 1, letter c CISO.

The audit company confirms respectively to the fund management company or to the SICAV adherence to the special duty of loyalty in relation with the real estate investment.

The fund management company must report authorised transactions with closely related persons in the real estate fund's annual report.

#### § 4 Custodian bank and market maker

1. The custodian bank is responsible for the safekeeping of the investment fund's assets, including the mortgage notes against which no loans have been raised, as well as the shares in real estate companies. The custodian bank handles the issue and redemption of fund units as well as payment transfers on behalf of the real estate fund. It may hold accounts with third parties for the purpose of the ongoing management of real estate assets.
2. The custodian bank ensures that in the case of transactions relating to the real estate fund's assets, the equivalent value is transferred thereto within the usual timeframes. The custodian informs the fund management company if payments are not made within the usual time limits and requires the counterparty to reconstitute the asset value, insofar as this is possible.
3. The custodian bank shall keep the required records and accounts in such a manner that it is at all times able to distinguish between the assets held in safe custody of the various investment funds.  
The custodian bank verifies the fund management company's ownership of assets that cannot be held in safe custody and keeps records thereon.

4. The custodian bank and its agents are subject to a duty of loyalty, a duty to proceed with due diligence and a duty to provide information. They act independently and exclusively in the interest of the investors. They implement the organisational measures that are necessary for proper management. They report on the collective investments in their custody and provide investors with information on all fees and costs incurred directly or indirectly and on the remuneration received from third parties, particularly in the form of commissions, rebates and other financial benefits.

5. The custodian bank may transfer responsibility for the safekeeping of the fund's assets to third-party custodians or central securities depositories in Switzerland or abroad, provided that appropriate safekeeping is ensured.

It ensures that the third-party custodian or central securities depository it appoints:

- a) possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
- b) is subject to regular external verification, thereby ensuring that the financial instruments are in its possession;
- c) safeguards the assets received from the custodian bank in a manner that allows the latter to identify them unmistakably at any time as belonging to the fund's assets, by regularly cross-checking the portfolio and the accounts;
- 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 conflict of interest. The custodian bank is liable for damages caused by the agent if it cannot prove that it has applied the degree of due diligence required by the circumstances to selection, appraisal and supervision. The prospectus shall contain information about the risks associated with the transferring of safekeeping to a third-party custodian or central securities depository.

The safekeeping of financial instruments may only be entrusted as set out in the paragraph above to a regulated third-party custodian or central securities depository. This does not apply to mandatory safekeeping at a location where the transfer to regulated third-party custodian and collective securities depositories is not possible, in particular due to mandatory legal provisions or to the investment product's modalities. Investors must be informed, via the prospectus, of any safekeeping by an unregulated third-party custodian or central securities depository.

6. The custodian bank shall ensure that the fund management company complies with the law and the investment fund contract. It verifies that net asset value calculations, unit issue and redemption prices, and decisions relating to investments, are compliant with the law and the fund contract, and that any income is used in accordance with said contract. The custodian bank is not responsible for the choice of investments

which the fund management company makes within the limits of the investment regulations.

7. The custodian bank is entitled to receive the remuneration stipulated in § 18 and §19, to be exempted from any liabilities which may have arisen in the proper performance of the collective investment contract, and to receive reimbursement of the expenses incurred in connection with such liabilities.
8. The custodian bank and its agents, as well as closely related natural and legal persons, may not acquire real estate assets from said real estate fund or assign any such assets to it. Individual situations may arise where the supervisory authority may grant an exemption from the ban on transactions with closely related persons as defined above if this is justified and in the interests of investors, and if in addition to the valuation by the real estate fund's regular valuation experts, a valuation expert who is independent of these regular experts and their employer, the fund management company and the real estate fund's custodian bank confirms the market conformity of the purchase and sale price for the real estate asset, and of the transaction costs.

The audit company confirms to the fund management company or to the SICAV adherence to the special duty of loyalty in relation with the real estate investment.

## § 5 Investors

1. Investor eligibility is not restricted.
2. By signing the contract and paying in cash, investors acquire a claim against the fund management company in the form of a share in the assets and income of the real estate fund, in accordance with the number of fund units that they acquire. Contributions in kind may be made instead of paying for fund units in cash, pursuant to § 17, item 8, at the request of the investor and with the approval of the fund management company. The investors' claim is evidenced in the form of fund units.
3. Investors are only obliged to pay the equivalent value of the units in the real estate fund for which they subscribe. They shall not be held personally liable for the real estate fund's liabilities.
4. The fund management company shall at all times inform investors of the basis for calculating the net asset value of the units. If investors wish to obtain detailed information from the fund management company regarding specific operations, such as the exercising of membership or creditors' rights, or risk management, the fund management company shall provide the information requested in a timely manner. Investors may request, at the courts of the fund management company's registered office, that the audit company or another expert investigate matters that require clarification and furnish the investors with a report.
5. Investors may terminate the fund contract at the end of a financial year, subject to a 12-month notice period, and request that their share in the real estate fund be paid out in cash.

Under certain conditions, the fund management company may allow the early redemption of units for which notice of redemption has been given mid-year (see § 17, item 2). Both standard redemptions and early redemptions must take place within a maximum of three months after the end of the financial year.

6. If requested to do so, investors must provide the fund management company and/or the custodian bank and their agents with proof that they fulfil, or continue to fulfil, the legal or contractual conditions for participation in the real estate fund. Furthermore, they must inform the custodian bank, the fund management company and its agents immediately once they no longer meet these conditions.
7. The fund management company, in cooperation with the custodian, must carry out an enforced redemption of an investor's units at the corresponding 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 legal, statutory or contractual requirements for participation in this real estate fund.
8. Furthermore, the fund management company, in cooperation with the custodian bank, may carry out an enforced redemption of an investor's units at the corresponding redemption price if:
  - a) the investor's participation in the real estate fund is such that it has a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the real estate fund in Switzerland or abroad;
  - b) the investor has acquired or holds his/her units in violation of Swiss or foreign law, of this fund contract or of the corresponding prospectus;
  - c) the economic interests of investors are compromised, particularly in cases where certain investors are attempting to make money through systematic subscriptions followed by immediate redemptions so as to exploit the time lags between the fixing of closing prices and the valuation of the assets (market timing).

## § 6 Units and unit classes

1. The fund management company may, at any time, create, liquidate or merge unit classes subject to the consent of the custodian bank and the approval of the supervisory authority. All the unit classes entitle investors to a share in the total assets of the fund, which are not segmented. This share may differ due to class-specific charges, costs or distributions, and the various unit classes may therefore have a different net asset value per unit. The assets of the real estate fund as a whole are used to cover class-specific costs.
2. The fund management company announces the creation, dissolution or merging of unit classes in the media of publication. Only mergers shall be deemed a change to the fund contract pursuant to § 27.

3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency risk hedging, policy with regard to the distribution or reinvestment of income, minimum investment required and investor eligibility. Fees and costs are only charged to the unit class for which the respective service is performed. Remuneration and costs that cannot be unequivocally allocated to a given sub-fund shall be charged to the individual sub-funds in proportion with their share of the fund's assets.
4. The real estate fund is not subdivided into unit classes.
5. Units are not issued as securities, but are accounted for. The investors are not entitled to demand delivery of a unit certificate.

## III. Investment policy guidelines

### A. INVESTMENT PRINCIPLES

#### § 7 Compliance with investment guidelines

1. In selecting investments and implementing the investment policy pursuant to § 8, the fund management company shall adhere to the percentage limits defined below, in the interests of achieving a balanced risk diversification. These percentages relate to the fund's assets at market value and must be complied with at all times. The real estate fund must be within the investment limits two years after the expiry of the subscription period (launch).
2. When limits are exceeded due to market fluctuations, investment volumes must be reduced to the allowable rate within a reasonable period of time, taking into account the interests of investors.

#### § 8 Investment policy

1. The real estate fund management company invests the fund's assets in real estate in Switzerland and ensures that at least 80% of the fund's assets are invested in the French-speaking part of Switzerland. The fund holds directly and indirectly owned properties. The risks related to these investments must be published in the prospectus.
2. Investments in the following are authorised for this real estate fund:

- a) property, including fixtures and fittings  
Property means:
  - Residential buildings within the meaning of property used for housing purposes;
  - Properties used for commercial purposes;
  - Mixed use constructions;
  - Condominiums;
  - Building lands (including properties for demolition) and buildings under construction; undeveloped plots of land must be connected to the infrastructure network and suitable for immediate development. The start of construction works must be possible before the expiry of the period of validity of the building permit in question;
  - Properties with surface rights (including surface constructions and easements).

Co-ownership of property is permitted only if the fund management company can exert a dominant influence, in other words as long as it holds a majority of the co-ownership shares and votes.

- b) Investments in and claims on real estate companies whose sole objective is the purchase and sale and/or the rental and lease of its own property, provided at least two thirds of its capital and voting rights are incorporated in the real estate fund.
- c) Units in other real estate funds (including Real Estate Investment Trusts) and real estate investment companies or certificates which are traded on an exchange or other regulated market which is open to the public. Subject to § 19, the fund management company may acquire units in target funds managed either directly or indirectly by itself or by a company to which the fund management company is related by virtue of common management or control, or through a direct or indirect significant investment.  
Properties are registered in the land register in the name of the fund management company, with a note stating that they belong to the real estate fund.
3. The fund management company may commission the construction of buildings on the fund's behalf. In such a case, the fund management company may, during the preparation, construction or refurbishment period, credit the real estate fund's profit and loss account with interim interest at the prevailing market rate for the developable land and buildings under construction, provided that the costs do not exceed the estimated market value.
4. The fund management company ensures appropriate liquidity management. The details are stated in the prospectus.

#### § 9 Securing liabilities and assets available at short notice

1. In order to secure its liabilities, the fund management company shall keep an adequate proportion of the fund's assets in short-term fixed income securities or in other assets available at short notice. It may hold these securities and assets in the unit of account of the real estate fund as well as in other currencies that the liabilities are denominated in.
2. Liabilities are deemed to be borrowings, obligations from business activities, and claims arising from units for which notice has been given.
3. Short-term fixed income securities are deemed to be debt securities with a term or residual term to maturity of up to 12 months.



4. Assets available at short notice are deemed to be cash on hand, bank cheques and deposits with maturities of up to 12 months, and guaranteed credit facilities with a bank equal to up to 10% of the fund's net assets. The credit facilities must not exceed the maximum pledging level permitted pursuant to § 14 item 2.
5. Fixed income securities with a term or residual term to maturity of up to 24 months may be held as collateral for impending construction projects.

## B. INVESTMENT TECHNIQUES AND INSTRUMENTS

### § 10 Securities lending

The fund management company shall not employ securities lending techniques.

### § 11 Repurchase and reverse repurchase agreements

The fund management company shall not use repurchase and reverse repurchase techniques.

### § 12 Derivative financial instruments

The fund management company may use derivative financial instruments only to hedge interest rate, credit and market risks.

### § 13 Borrowing and lending

1. The fund management company is not authorised to grant loans on the real estate fund's behalf, except for claims

against the real estate fund's real estate companies, mortgage notes or other contractual encumbrances on properties.

2. The fund management company may raise loans on the real estate fund's behalf.

### § 14 Encumbrances on properties

1. The fund management company may pledge properties as security and transfer these security interests.
2. However, the whole property can be encumbered only to a limit of one third of the market value, on average. In order to preserve liquidity, the proportion of the properties as a whole that may be encumbered may be raised temporarily and exceptionally to half of their market value if the investors' interests are protected. The audit company shall make a statement on this when the real estate fund is audited.

## C. INVESTMENT RESTRICTIONS

### § 15 Risk diversification and limits

1. Investments shall be diversified by type of asset, use, age, the nature of the buildings and their location.
2. Investments shall be spread over at least 10 properties. Residential estates which have been built using the same principles of construction and neighbouring plots of land are deemed to be a single property.
3. The market value of a single property may not exceed 25% of the fund's assets.
4. When implementing the investment policy defined in § 8, the fund management company shall also apply the following investment limits as a percentage of the fund's assets:

- a) Building land, including properties for demolition and buildings under construction: up to 30%;
- b) Properties with surface rights: up to 30%;
- c) Mortgage notes and other contractual encumbrances: up to 10%;
- d) Units in other real estate funds and real estate investment companies: up to 20%;
- e) Investments defined in letters a and b above may together account for up to 40% of the fund's assets.

## IV. Calculation of the net asset value, unit issue and redemption and valuation experts

### § 16 Calculation of the net asset value and use of valuation experts

1. The net asset value of the real estate fund is calculated at the market value at the end of the financial year, and whenever units are issued, in CHF.
2. The fund management company shall have independent valuation experts estimate the market value of the properties belonging to the real estate fund at the end of each financial

year, and whenever units are issued. To this end, the fund management company shall retain, subject to their approval by the supervisory authority, at least two natural persons or one legal person as independent valuation experts. Property inspections by the valuation experts must be carried out at least every three years.

When properties are purchased/sold, the fund management company must value said properties beforehand. In the event

of a sale, a new valuation is not necessary if the existing valuation was made less than three months ago and conditions have not significantly changed.

3. Investments which are listed on a stock exchange or other regulated market open to the public shall be valued at the prices paid according to the main market's daily prices. Other investments, or investments for which no daily price is available, shall be valued at the price which would probably be obtained in a sale completed with due diligence at the time of the valuation. In such cases, the fund management company shall use appropriate and recognised valuation models and principles to determine the market value.
4. Open-ended collective investment schemes are valued at their redemption price or their net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with item 3.
5. The value of short-term securities bearing a fixed-interest rate 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 is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are constantly updated. If there are significant changes in market conditions, the valuation basis for individual investments shall be adjusted for the new market returns. If there is no current market price, 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 and term to maturity).
6. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or solvency, the valuation basis for bank deposits shall be adjusted for the new circumstances.
7. Properties are valued for the real estate fund in accordance with the Asset Management Association Switzerland's current guidelines for real estate funds.
8. Developable land and buildings under construction are valued at market value. The fund management company has buildings under construction valued at their market value at the end of the financial year.
9. The net asset value of a unit is obtained from the market value of the fund's assets, less any liabilities that the real estate fund may have, and any taxes likely to be collected if the real estate fund was liquidated, divided by the number of units in circulation. The result is rounded to the nearest CHF 0.01.

#### § 17 Issuing, redemption and trading of units

1. Units may be issued at any time, but only in tranches. The fund management company shall offer new units first to existing investors.
2. The redemption of units shall proceed in accordance with § 5, item 5. When notice is given for units in the course of the financial year, the fund management company may redeem

them early after the end of the financial year, on the condition that:

- a) the investor claims it in writing when units are redeemed;
- b) it is possible to satisfy all investors who have requested early redemption.
 

The fund management company will provide for regulated OTC trading of real estate fund units through the intermediary of a bank or a securities dealer. The details will be determined in the prospectus.
3. The issue and redemption price of unit is based on the net asset value per unit calculated as defined under § 16. In the case of unit issues, the incidental costs (costs of amendments, notary fees, standard brokerage fees, commissions and fees, etc.) incurred on average by the real estate fund in connection with investment of the amount paid in will be added to the net asset value. In the case of unit redemptions, the incidental costs incurred on average by the real estate fund in connection with the same of a portion of investments corresponding to the redeemed units will be deducted from the net asset value. The rate applied is specified in the prospectus. Furthermore, in the case of unit issues and redemptions, an issue fee may be added to the net asset value pursuant to § 18, or a redemption fee may be deducted from the net asset value pursuant to § 18.
4. The fund management company may suspend unit issuance and refuse requests to subscribe for or exchange units at any time.
5. The fund management company may temporarily and exceptionally suspend the redemption 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.
6. The fund management company shall immediately inform the audit company, the supervisory authority and investors of any suspension decisions in an appropriate manner.
7. As long as the redemption of units is deferred for the reasons stipulated under item 5, no units shall be issued.
8. When subscribing for a fund, each investor may make a contribution in kind to the fund's assets instead of making a cash payment. The request must be submitted at the same time as the subscription. The fund management company shall not be obliged to authorise contributions in kind.
 

The fund management company bears sole decision-making authority regarding contributions in kind and shall only authorise these transactions if their execution is fully compliant

with the fund's investment policy and does not compromise the interests of other investors.

The costs in relation to a contribution in kind may not be charged against the fund's assets.

For contributions in kind, the fund management company shall produce a report containing information about the different investments transferred, the market value of these investments on the reference date of the transfer, the number of units issued, and any netting of cash balances. The custodian bank shall check, for each contribution in kind, the fund

management company's compliance with the duty of loyalty and the valuation on the reference date of the investments transferred and the units issued. The custodian bank shall immediately report any reservations or criticisms to the auditing company.

Contribution-in-kind transactions must be disclosed in the annual report.

In the case of contributions in kind, investors do not have the preferential right provided for in § 17.1.

## V. Remuneration and incidental costs

### § 18 Remuneration and incidental costs payable by the investor

1. When fund units are issued, the investor may be charged an issue fee accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, jointly representing a maximum of 5% of the net asset value. The current maximum rate applicable is stated in the prospectus.
2. When fund units are redeemed, the investor may be charged a redemption fee accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, jointly representing a maximum of 5% of the net asset value. The current maximum rate applicable is stated in the prospectus.
3. When units are issued and redeemed, the fund management company shall also collect the average incidental costs, accruing to the fund's assets, incurred by the real estate fund through the sale of a portion of the investments corresponding to the units for which notice has been given (§ 17, item 3). The rate applied is specified in the prospectus.
4. The custodian bank shall charge the investor the usual bank fees and charges for the delivery of registered shares. The current fees are stated in the prospectus.

### § 19 Fees and incidental costs charged against the fund's assets

1. For the management of the real estate fund and the real estate companies, asset management and real estate fund distribution, the fund management company shall charge the real estate fund an annual fee of a maximum of 1% of the fund's net asset value, charged against the fund's assets on a pro-rated basis whenever the net asset value is calculated and paid semi-annually (management fee). The rate of the management fee actually applied shall be published in the annual and semi-annual reports.
2. For the safekeeping of the fund's assets, the handling of the real estate fund's payment transactions and the other tasks carried out by the custodian bank set out in § 4, the custodian bank shall charge the real estate fund an annual fee of a maximum of 0.06% of the fund's net asset value, charged against

the fund's assets on a pro-rated basis whenever the net asset value is calculated and paid annually (custodian bank fee).

The rate of the custodian bank fee actually applied shall be published in the annual and semi-annual reports.

3. For the distribution of annual income to investors, the fund management company shall charge the real estate fund a fee of 0.5% maximum of the gross amount of the distribution.
4. The fund management company and the custodian bank are also entitled to be refunded for the following incidental costs, incurred in the performance of the fund contract:
  - a) the costs of buying and selling investments, including the standard brokerage fees, commissions, taxes and duties, as well as the costs of inspecting and maintaining the quality standards of physical investments;
  - b) the supervisory authority's fees in relation to the establishment, amendment, liquidation or merging of the real estate fund;
  - c) the supervisory authority's annual fees;
  - d) the audit company's fees for annual auditing as well as certification in the case of the establishment, amendment, liquidation or merging of the real estate fund;
  - e) the fees charged by legal and tax advisors in connection with the establishment, amendment, liquidation or merging of the real estate fund, and the general safeguarding of the interests of the real estate fund and its investors;
  - f) the costs of publishing the real estate fund's net asset value as well as all the costs incurred issuing notices to investors (including translation costs), insofar as they do not result from wrongful conduct by the fund management company;
  - g) the cost of printing legal documents as well as the real estate fund's annual and semi-annual reports;
  - h) the costs incurred through any registration of the real estate fund with a foreign supervisory authority, including fees paid to the foreign supervisory authority, translation costs, and allowances paid to the representative or payment service abroad;

- i) the fees in connection with the exercising of voting rights or creditors' rights by the real estate fund, including the fees charged by external advisors;
  - j) the costs and fees associated with intellectual property rights registered in the name of the real estate fund or for which a licence has been acquired by the real estate fund;
  - k) all the costs incurred by the fund management company, the collective asset manager or the custodian bank as a result of extraordinary actions taken to safeguard the interests of investors.
5. The fund management company and the custodian bank are also entitled to be refunded for the following incidental costs, incurred in the performance of the fund contract:
- a) the costs for the purchase and sale of real estate investments, namely the standard intermediary, advisor and lawyer's fees, notary fees, and other fees and taxes;
  - b) the standard brokerage fees paid to third parties in connection with the initial rental of real estate assets;
  - c) the standard costs for the management of properties by third parties;
  - d) the costs linked to properties, particularly maintenance and operating costs, including insurance costs, statutory public contributions and service provision and infrastructure service costs, insofar as they are standard costs that cannot be charged to third parties;
  - e) the fees charged by independent valuation experts as well as any other experts retained to make clarifications in the interests of investors;
  - f) the fees for advice and proceedings for the purpose of safeguarding the interests of the real estate fund and its investors;
6. The fund management company may collect a fee for the work provided in connection with the following activities, provided that these activities are not performed by third parties:
- a) the fund management company's property management fee based on the annual amount of the gross rents collected, including heating costs: a maximum of 6%;
  - b) the fund management company's fee for the purchase, sale or exchanging of properties: a maximum of 3%;
  - c) in respect of its activities when carrying out feasibility studies and acting on behalf of the project owner during construction, renovation or conversion projects, the fund management company shall charge the real estate fund a fee not exceeding 3% of the invested amounts (including charges, related costs and the standard fees paid to third parties and agents);
  - d) in respect of its activities when engaged in project development, monitoring construction works and acting on behalf of the project owner during construction, renovation and conversion projects, the fund management company shall charge the real estate fund a fee not exceeding 5% of the invested amounts (including charges, related costs and the standard fees paid to third parties and agents).
7. Charges, fees, duties and taxes connected with the construction, renovation and conversion of buildings (particularly, but not exclusively, the standard fees charged by agents, engineers, brokers, project owners' assistants, planners and architects, fees for building permits and connection charges, charges for the granting of easements, etc.) shall be directly added to the stated cost of real estate investments.
8. The costs referred to in item 4 letter a and item 5 letter a shall be directly added to the stated cost or deducted from the sale value.
9. The benefits provided by real estate companies to members of their administration and management teams, as well as to their staff, are taken out of the remuneration to which the fund management company is entitled pursuant to § 18.
10. The fund management company and its agents may, in accordance with the provisions of the prospectus, pay shared commissions as remuneration for fund unit distribution, and grant rebates to reduce the fees and costs incurred by investors and charge them against the real estate fund.
11. The management fee for the target funds in which investments are made shall be a maximum of 1%, including any rebates or shared commissions. The maximum rate of the management fee for the target funds in which investments are made must be stated in the annual report, including any rebates or shared commissions.
12. On the acquisition by the fund management company of units in other collective investment schemes managed directly or indirectly by itself, or by a company to which the fund management company is related as a result of common management or control or a significant direct or indirect investment ("related target funds"), no issue or redemption fees may be charged for target funds related to the real estate fund.

## VI. Financial statements and audits

### § 20 Financial statements

- 1. The real estate fund's unit of account is the Swiss franc (CHF).
- 2. The financial year shall run from 1 January to 31 December.
- 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 within two months of the end of the first half of the financial year.
- 5. The investor's right to information in accordance with § 5, item 4 remains applicable.

**§ 21 Auditing**

The audit company verifies that the fund management company and the custodian bank are in compliance with the legal and con-

tractual provisions and the rules of the Asset Management Association Switzerland that may be applicable. The annual report shall contain a short report by the auditors on the published annual financial statements.

## VII. Appropriation of net income

**§ 22 Appropriation of net income and distribution**

1. The net income of the real estate fund shall be distributed annually to investors, within four months of the end of the financial year at the latest, in Swiss francs.

The fund management company may in addition make interim income distributions.

Up to 30% of the net income may be carried forward. A distribution may be waived and net returns carried forward if:

(a) the net income for the current financial year and income

carried forward from previous financial years for the real estate fund is less than 1% of the real estate fund's net asset value, and (b) the net income for the current financial year and income carried forward from previous financial years for the real estate fund is less than one unit of the real estate fund's accounting currency.

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

## VIII. Real estate fund publications

### § 23 Real estate fund publications

1. The real estate fund's publication medium is the print or electronic media specified in the prospectus. Changes to the publication medium are to be communicated therein.
2. The following information shall in particular be published in the publication medium: summaries of material changes to the fund contract, indicating the addresses from which the amended wording may be obtained free of charge, any change of fund management company and/or custodian bank, and the creation, dissolution or merging of unit classes, as well as the liquidation of the real estate fund. Changes required by law which do not affect the rights of investors or are purely formal in nature may be exempted from the publication obligation with the authorisation of the supervisory authority.
3. Each time units are issued or redeemed, the fund management company shall publish both the issue and the redemption prices or the net asset value together with the footnote "excluding commissions" on the SwissFundData AG platform: [www.swissfunddata.ch](http://www.swissfunddata.ch). The prices shall be published at least once per month. The weeks and weekdays on which publications are made shall be specified in the prospectus.
4. The prospectus with integrated fund contract, the key information document, and the respective annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and any distributors.

## IX. Restructuring and dissolution

### § 24 Mergers

1. Subject to the consent of the custodian bank, real estate funds may be merged by the fund management company through the transfer – on the merger date – of the assets and liabilities of the real estate funds being acquired to the acquiring real estate fund. Investors in the real estate fund being acquired shall receive units in the acquiring real estate fund of an equivalent value. Any fractions shall be subject to payment in cash. On the merger date, the real estate fund being acquired shall be dissolved without liquidation and the acquiring real estate fund's contract shall also apply to the real estate fund being acquired.
2. Investment 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:
    - investment policy, investment techniques, risk diversification and investment risks;
    - the appropriation of net income and capital gains;
    - the type, amount and calculation method of any remuneration, issue and redemption fees, and incidental costs for the purchase and sale of investments (brokerage fees, other fees and duties) that may be charged against the fund's collective assets or to investors;
    - the redemption conditions;
    - the duration of the contract and the conditions of dissolution
  - d) the valuation of the real estate fund assets, the calculation of the exchange ratio and the transfer of the fund assets must take place on the same day;
  - e) no costs shall arise as a result for either the real estate fund or the investors.
3. If the merger is expected to take more than one day, the supervisory authority may authorise the suspension of the redemption of units in the real estate fund for a given period.
4. The fund management company shall submit the intended changes to the fund contract as well as the proposed merger, together with the merger schedule, to the supervisory authority for review at least one month before the planned publication. The latter must contain information about the reasons for the merger, the investment policy of the participating real estate funds and any differences between the acquiring real estate fund and the real estate fund being acquired, the calculation of the exchange ratio, any differences with regard to remuneration, and any tax implications for the real estate funds, as well as the related statement from the competent collective investment scheme audit company.
5. The fund management company shall publish the changes to the fund contract in accordance with § 23, item 2, and the proposed merger and its timing, together with the merger schedule, at least two months before the planned merger date, in the publication media of the participating real estate funds. In doing so, it shall inform investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority, within 30 days of the last publication or communication, or request the redemption of their units.
6. The audit company shall immediately verify that the merger has been conducted correctly and issue a report in this regard

for the fund management company and the supervisory authority.

7. The fund management company shall promptly inform the supervisory authority of the completion of the merger and publish the execution of the merger, the confirmation from the audit company of the due completion of the operation and the exchange ratio in the publication medium for the participating real estate funds.
8. The fund management company shall report the merger in the next annual report of the acquiring real estate fund and in any semi-annual reports published previously. If the merger does not take place on the usual last day of the financial year, an audited end-of-year report shall be prepared for the real estate fund(s) being acquired.
  - the issue and redemption conditions;
  - the term of the contract or the SICAV;
  - the publication medium.
- d) the valuation of the participating collective investment schemes' assets, the calculation of the exchange ratio and the transfer of the assets and liabilities take place on the same day;
- e) no costs are incurred as a result for either the real estate fund, the SICAV, investors or shareholders.
3. FINMA may authorise the suspension of redemptions for a given period, if it is foreseeable that the conversion will take more than one day.
4. Before the planned publication, the fund management company shall submit the intended changes to the fund contract as well as the proposed conversion, together with the merger schedule, to FINMA for review. The conversion schedule must contain information about the reasons for the conversion, the investment policies of the collective investment schemes in question, and any differences between the converted real estate fund and the SICAV sub-fund, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the collective investment schemes, as well as the statement from the audit company.

### § 25 Change of legal form

1. In accordance with Swiss law, the fund management company may, with the custodian bank's consent, convert the real estate fund into SICAV sub-funds, the assets and liabilities of the converted real estate fund(s) being transferred to the SICAV's investor sub-fund at the time of the conversion. Investors in the converted real estate fund shall receive units in the SICAV's investor sub-fund of an equivalent value. On the day of the conversion, the converted real estate fund shall be dissolved without liquidation, and the SICAV's investment rules shall apply to the investors in the converted real estate fund who have become investors in the SICAV's investor sub-fund.
2. The real estate fund may be converted into a SICAV sub-fund only if:
  - a) the fund contract provides for this and the SICAV's investment rules expressly stipulate this;
  - b) the real estate fund and the sub-fund shall be managed by the same fund management company;
  - c) the fund contract and the SICAV's investment rules are basically identical in terms of the following provisions:
    - the investment policy (including cash), the investment techniques (securities lending, repurchases or reverse repurchases and derivatives), borrowing or lending, the pledging of the collective investment scheme's assets, risk diversification and the investment risks, the type of collective investment scheme, the eligible investors, the unit/share classes and the calculation of the net asset value;
    - the appropriation of the net income and capital gains realised on the sale of assets and rights;
    - the appropriation of net income and the reporting obligation;
    - the type, amount and calculation method of any remuneration, issue and redemption fees, and incidental costs for the purchase and sale of investments (brokerage fees, other fees and duties) that may be charged against the fund's or the SICAV's assets or to investors or shareholders, subject to the incidental costs specific to the SICAV's legal form;
5. The fund management company shall publish any changes to the fund contract in accordance with § 23, paragraph 2, and the conversion and its timing, together with the conversion schedule, at least two months before the date that it has set in the publication medium of the converted real estate fund. In doing so, it shall inform investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority within 30 days of the publication or notice, or request the redemption of their units.
6. The audit company of the real estate fund or of the SICAV (if these are different) shall immediately verify that the conversion has been conducted correctly and issue a report in this regard for the company, the SICAV and the supervisory authority.
7. The fund management company shall promptly inform FINMA of the completion of the conversion and send it the confirmation from the audit company of the proper execution of the operation and the conversion report in the publication medium of the participating real estate fund.
8. The fund management company or SICAV shall report the conversion in the next annual report of the real estate fund or the SICAV and in any semi-annual reports published previously.

### § 26 Term and dissolution of the real estate fund

1. The real estate fund has been created for an indefinite term.
2. The fund management company or the custodian bank may dissolve the real estate fund by terminating the investment fund contract subject to a two-month notice period.
3. The real estate fund may be dissolved by order of the supervisory authority, particularly if, one year at the latest after the end of the subscription period (launch), or a longer period granted by the supervisory authority at the request of the

custodian bank and the fund management company, it does not have net assets of at least CHF 5 million (or the equivalent).

4. The fund management company shall promptly inform the supervisory authority of the dissolution and publish it in the publication medium.
5. After the investment fund contract has been terminated, the fund management company may liquidate the real estate fund immediately. If the supervisory authority has ordered

the dissolution of the real estate fund, it must be liquidated immediately. The custodian bank shall be responsible for the payment of the liquidation proceeds to the investors. If the liquidation proceeds are protracted, payment may be made in instalments. The fund management company must obtain authorisation from the supervisory authority prior to the final payment.

## X. Approval and amendment of the investment fund contract

### § 27 Changes to the fund contract

If changes are made to this investment fund contract or a change of fund management company or custodian bank is planned, investors may lodge objections with the supervisory authority within 30 days of the last corresponding publication or notice. In the publication, the fund management company shall inform investors about the changes to the fund contract that are subject to auditing and

the confirmation of legal compliance by FINMA. In the event of changes to the fund contract, investors may also request the redemption of their units in cash subject to the contractual notice period. This excludes the cases pursuant to § 23, item 2, which are exempted from the duty to publish and disclose with the authorisation of the supervisory authority.

## XI. Applicable law and jurisdiction

### § 28 Applicable law and jurisdiction

1. The real estate fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006, the FINMA Ordinance on Collective Investment Schemes of 21 December 2006, and the FINMA Ordinance on Collective Investment Schemes of 27 August 2014. The place of jurisdiction shall be the registered office of the fund management company.
2. For the interpretation of this investment fund contract, the French version is authoritative.
3. This investment fund contract shall enter into force on 31 March 2023. The present investment fund contract replaces the investment fund contract dated 5 October 2022.

4. When approving the investment fund contract, FINMA exclusively examines the provisions pursuant to Article 35a, paragraph 1, letters a-g CISO and checks their legal compliance.

The Fund Management Company  
**JSS Real Estate Management Ltd, Geneva**

The Custodian Bank  
**Bank J. Safra Sarasin Ltd, Basel**





