

Swisscanto (CH) Real Estate Fund Swiss Commercial

Contractual investment fund under Swiss law of the «real estate fund» type (hereinafter referred to as the «real estate fund»).

Simplified Prospectus July 2016

Fund management company: Swisscanto Fund Management Company Ltd.,
Bahnhofstrasse 9, 8001 Zurich

Custodian bank: Cantonal Bank of Zurich,
Bahnhofstrasse 9, 8001 Zurich

1 Note

This simplified Prospectus contains the key information about the real estate fund. The definitive regulations on the legal and economic aspects are laid down in the sales Prospectus containing the fund contract. These govern, among other things, the rights of the investors, the duties and obligations of the fund management company and the custodian bank, as well as the investment policy of the real estate fund. Investors are advised to consult the sales Prospectus. The annual and semi-annual reports provide information on the assets and income statement. These documents may be obtained free of charge from the fund management company, the custodian bank and all distributors.

2 Investment information

2.1 Investment objective

The main investment objective of the real estate fund is to generate a stable current income together with the long-term preservation of capital.

2.2 Investment strategy (investment policy)

This real estate fund invests in properties throughout Switzerland. At least two thirds of the income must come from the use of commercial portions of mixed-use properties or buildings in Switzerland. The real estate fund holds properties in direct ownership (freehold).

The fund management company may employ derivative instruments for the purpose of hedging interest-rate risks.

The real estate fund's currency of account is the Swiss franc (CHF).

2.3 The real estate fund's risk profile

The primary risk for the real estate fund is that its net asset value and the income it generates may fluctuate in line with trends in rents and real estate prices. Besides market risk the main risks of the real estate fund are:

- the limited liquidity;
- interest-rate developments.

The value of the investments can go down as well as up, and it is even possible that investors may not get back the amount invested.

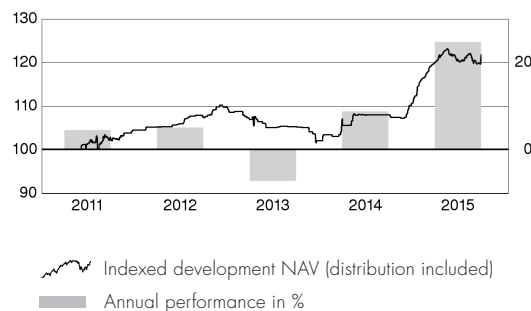
The fund management company can use derivatives solely for the purpose of hedging interest-rate risks. Even under extraordinary market circumstances, the use of these instruments may not alter the fund's investment goals or lead to a change in the investment profile of the real estate fund. The use of derivatives has the sole purpose of reducing the commitment. Beside market risk, derivatives are also subject to counterparty risk, i.e. the risk that the contracting party is unable to meet its obligations, resulting in a financial loss.

2.4 Performance of the real estate fund (change in net asset value where the distribution is reinvested)

The performance data were calculated on the assumption that any distributions are reinvested and without taking account of commission and fees for issuing and redeeming units.

Data source:
Lipper, a Reuters Company/Swisscanto

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Annual performance in %	2011	2012	2013	2014	2015
Fund	4.50%	5.41%	-7.24%	8.81%	24.68%

Average annual return as at 31 December 2015

Last 3 years: 7.96% p.a.
Last 5 years: n/a
Last 10 years: n/a

Past performance is no indication of the future performance of the real estate fund's units. Future performance will depend on the development of the Swiss real estate market and on how successful the asset manager is in implementing the investment policy.

2.5 Profile of the typical investor

The real estate fund is suitable for investors with a medium to long-term investment horizon who are primarily seeking growth in their invested capital. Investors must be able to accept temporary fluctuations in the net asset value of the fund units and are not dependent on realizing the investment on a specific date.

2.6 Distribution policy

The net income of the real estate fund is distributed to investors annually in CHF, within four months of the conclusion of the financial year (31 January).

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

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

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

2.7 Unit classes

The real estate fund is not divided into different classes of unit.

3 Economic information

3.1 Fees and incidental costs	2013 ¹	2014 ²	2015 ³
Fees and incidental costs charged directly to investors on the purchase and on the redemption of units			
Maximum issuing commission	5%	5%	5%
Redemption commission in favour of the fund management company, max.	2%	2%	2%
Incidental costs in favour of the real estate fund	2.8%	2.8%	2.8%
Fees and incidental costs charged to the fund's assets on an ongoing basis			
Fund management company's commission			
– all-in management fee, max.	0.8%	0.8%	0.8%
– on the purchase or sale of estate, max.	1%	1%	1%
– on new or remodelled properties, max.	3%	3%	3%
– property administration, max.	6%	6%	6%
Performance fee	None	None	None
Custodian bank fee, max.	0.05%	0.05%	0.05%
Additional costs, according to the fund contract in line with actual expenses incurred			
Total Expense Ratio TER_{REF} – GAV*	0.93%	0.91%	0.91%
Total Expense Ratio TER_{REF} – NAV*	1.07%	1.05%	1.02%

¹ For the financial year running from 01 January 2013 to 31 December 2013.

² For the financial year running from 01 January 2014 to 31 December 2014.

³ For the financial year running from 01 January 2015 to 31 December 2015.

* From the 2013 financial year, the operating expense ratio of the fund is calculated on the basis of the net fund assets (NAV; Net Asset Value). The operating expense ratio of the fund was previously calculated exclusively on the basis of the gross net assets (GAV; Gross Asset Value).

The management fee may be used in full or in part for trailer fees and/or for reimbursements to certain categories of investors.

3.2 Fee splitting agreements and soft commissions

There are no fee splitting agreements. The fund management company has concluded no agreements in respect of retrocession in terms of so-called «soft commissions».

3.3 Tax information

The real estate fund (open-ended collective investment scheme) has no legal personality in Switzerland. As a general principle it is not subject to tax on income or capital. Real estate funds which hold property directly are an exception. Under the terms of the federal law on direct federal taxation, earnings from direct property ownership are taxable at the level of the real estate fund itself and are thus tax-free for unit holders. Capital gains from direct property ownership are also only taxable at the level of the real estate fund.

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

Income distributions made by the real estate fund to investors (domiciled in or outside Switzerland) are subject to Swiss federal withholding tax (source tax) at 35%. Income or capital gains that are generated via property owned directly and distributed via a separate coupon are not subject to withholding tax, nor are capital gains resulting from the sale of participating interests and other assets.

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

Investors domiciled outside Switzerland may reclaim withholding tax under the terms of a double taxation agreement (DTA) between Switzerland and their country of domicile. If no such agreement exists, then the withholding tax may not be reclaimed.

Furthermore, any income and capital gain, whether distributed or retained, depending on the person who holds the shares directly or indirectly, may be partially or entirely subject to a so-called paying agent tax (e.g. compensated withholding tax, European saving tax, Foreign Account Tax Compliance Act).

This tax information is based on the current legal situation and practice. It is subject to changes in legislation, the decisions of the courts and the ordinances 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. For information in this regard, investors should consult their tax advisors.

The real estate fund has the following tax status:

Compensatory withholding tax:

This real estate fund is not transparent with respect to compensatory withholding tax in the United Kingdom and in Austria, i.e. the compensatory withholding tax deducted is not based on the real estate fund's concrete tax factors (fund reporting), but is calculated using an alternative method.

EU savings tax:

Income distributions realised are not subject to European savings tax in Switzerland.

FATCA:

The real estate fund has been registered as a Registered Deemed-Compliant Foreign Financial Institution in accordance with Sections 1471–1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act (FATCA) and associated decrees) and/or with the inter-governmental agreement – between Switzerland and the United States of America – on cooperation for facilitating the implementation of FATCA.

4 Information relating to trading

4.1 Publication of prices

Net asset values are published each time units are issued and redeemed, and in any case on the last working day of each month, at Swiss Fund Data AG (www.swissfunddata.ch) and are updated annually after presentation of the audited closing statement for the year.

4.2 Procedures for purchasing and redeeming units

The real estate fund is listed on the Swiss stock Exchange SIX Exchange.

Units may be issued at any time and can only be issued in tranches. The fund management company offers new shares first to existing investors. The fund management company determines the planned number of new units to be issued, the subscription ratio for existing investors, the issue method for subscription rights and other conditions in a separate issue Prospectus.

The investor may redeem his units with effect from the end of an accounting year, subject to a period of notice of twelve months. The fund management company may, in certain circumstances, redeem the units early on which notice is given in the course of an accounting year. If the investor wishes early redemption to be made, he must state this in writing when giving notice. Both regular and early redemptions are effected within two months of the end of the accounting year. The fund management company ensures that units in the real estate fund can be regularly traded both on- and off-exchange through the Bank Julius Baer & Co. Ltd..

The net asset value of the real estate fund is calculated at the market value at the end of the financial year and each time units are issued.

5 Further information

Launch date of the real estate fund	2 August 2010
Financial year	1 January to 31 December
Security number	11 195 919
ISIN number	CH0111959190
Term of the real estate fund	Unlimited
Offering financial group (promoter)	Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich. Sole shareholder of Swisscanto Fund Management Company Ltd. is Swisscanto Holding Ltd., in which the Cantonal Bank of Zurich – as sole shareholder – holds 100% of the shares.
Fund management company	Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich
Custodian bank	Cantonal Bank of Zurich, Bahnhofstrasse 9, 8001 Zurich
Auditing company	Ernst & Young Ltd., Maagplatz 1, 8005 Zurich
Supervisory authority	Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Berne
Contacts	Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich

The fund management company:
SWISSCANTO FUND MANAGEMENT COMPANY LTD., Zurich

The custodian bank:
CANTONAL BANK OF ZURICH, ZURICH