



Swiss Life REF (CH) Swiss Properties

Contractual investment fund under Swiss law
of the type “real estate fund”

Audited annual report as of 30 September 2021

“Properties at strong locations offer a wealth of potential over the long term.”

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*This report is an English translation of the original German version.
In case of discrepancies in interpretation, the German version takes precedence.*

St. Gallen,
Spisergasse 25–27



Highlights

Key figures		30/09/2021	30/09/2020
ISIN Code		CH0293784861	CH0293784861
Swiss security number		29378486	29378486
Number of units in circulation		13 500 000	9 000 000
Fund units issued		4 500 000	0
Fund units redeemed		0	0
Net asset value per unit (incl. distribution)	CHF	113.36	110.99
Exchange price	CHF	142.30	128.50
Premium/Discount		25.53 %	15.78 %
Stock market capitalisation	CHF	1 921 050 000	1 156 500 000

Statement of net assets

Market value of properties	CHF	1 999 294 000.00	1 375 629 000.00
Book value of properties	CHF	1 899 597 345.17	1 312 286 687.82
Total fund assets (GAV)	CHF	2 013 592 687.52	1 387 964 111.29
Third-party borrowing as % of market value of properties		21.83 %	26.12 %
Debt as percentage of total assets		24.00 %	28.03 %
Residual term of borrowing	Jahre	1.63	2.48
Interest on borrowing		0.39 %	0.53 %
Net fund assets (NAV)	CHF	1 530 301 489.51	998 880 729.21

Statement of income

		01/10/2020–30/09/2021	01/10/2019–30/09/2020
Rental income	CHF	68 734 503.08	51 872 816.00
Rent default rate (Rental loss)		3.61 %	2.76 %
Maintenance and repairs	CHF	9 299 687.22	6 141 337.20
Net income	CHF	30 931 182.15	24 271 431.44
Realised capital gains and losses	CHF	3 711 035.50	0.00
Unrealised capital gains and losses	CHF	36 354 342.65	20 514 197.91
Total net income	CHF	66 660 760.30	42 520 329.35

Return and performance data		30/09/2021	30/09/2020
Distribution per unit	CHF	2.60	2.60
Distribution yield		1.83 %	2.02 %
Payout ratio		101.32 %	96.41 %
Return on equity (ROE)		4.48 %	4.34 %
Return on invested capital (ROIC)		3.49 %	3.36 %
Investment yield		4.58 %	4.45 %
Performance		18.34 %	2.71 %
Operating profit margin (EBIT margin)		63.26 %	67.79 %
Price/earnings ratio (P/E ratio)		28.25	27.20
Price/cash flow ratio (P/CF ratio)		56.32	47.65
Total expense ratio GAV (TER _{REF} GAV)		0.79 %	0.81 %
Total expense ratio NAV (TER _{REF} NAV)		1.06 %	n.a.
Total expense ratio market value (TER _{REF} MV)		0.87 %	0.90 %

The key figures were calculated according to the "Key Data for Real Estate Funds" specialist information factsheet published by SFAMA (now the Asset Management Association Switzerland) on 13 September 2016.

Past performance is no indication of current or future performance.

The performance data do not include commissions and costs incurred when issuing and redeeming fund units.

Figures from previous years

	Net fund assets CHF	Number of units in circulation	Net asset value per unit CHF	Exchange price ¹ CHF	Distribution per unit (gross amount) CHF
30/09/2020	998 880 729.21	9 000 000	110.99	128.50	2.60
30/09/2019	979 760 399.86	9 000 000	108.86	127.50	2.60
30/09/2018	582 435 141.67	5 400 000	107.86	120.00	2.60

¹ The fund has been listed on SIX Swiss Exchange since 11 June 2019.



Organisation

Fund management company	<p><i>Swiss Life Asset Management AG</i> General-Guisan-Quai 40, CH-8002 Zurich</p>
Board of Directors	<p><i>Stefan Mächler, Chairman</i> Group CIO and member of the Corporate Executive Board of the Swiss Life Group, with further directorships within the Swiss Life Group, Chairman of the Board of Directors of Ina Invest Holding Ltd and Ina Invest Ltd</p> <p><i>Hermann Inglin, Member</i> CFO Swiss Life Asset Managers, Swiss Life Investment Management Holding AG, with further directorships within the Swiss Life Group</p> <p><i>Lorenzo Kyburz, Member</i> Head of Legal & Compliance Swiss Life Asset Managers, Swiss Life Investment Management Holding AG, with a further directorship within the Swiss Life Group</p> <p><i>Dr Rolf Aeberli, Member (since March 2021)</i> Head of Corporate Mandates at Swiss Life Ltd, with further board mandates within the Swiss Life Group, Chairman of the Board of Directors of First Swiss Mobility 2019-1 AG, First Swiss Mobility 2020-1 AG, First Swiss Mobility 2020-2 AG and RWA Consulting AG</p> <p><i>Dr Lorenz Schumann (until March 2021)</i> Member of the Board of Directors of swissQuant Group AG, Götsch AG engineering office and SIM Global Advantage AG, owner of Schumann Strategic Advisory</p> <p><i>Markus Walter Honauer (until March 2021)</i> Member of the Board of Directors of VERIT Immobilien AG, Urban Assets Zug AG, Tech Cluster Zug AG, pom+Consulting AG and pom+Group AG and member of the Foundation Board of HIG Immobilien Anlagestiftung</p>
Executive Board	<p><i>Robin van Berkel, CEO,</i> with board mandates within the Swiss Life Group</p> <p><i>Daniel Berner, Deputy CEO,</i> Head of Proprietary Insurance Asset Management (PAM) and Third Party Asset Management (TPAM)</p> <p><i>Renato Piffaretti, Head of Real Estate,</i> with board mandates within the Swiss Life Group</p> <p><i>Michael Klose (until June 2021),</i> Head of Third Party Asset Management (TPAM), with a board mandate within the Swiss Life Group</p> <p><i>Jan Grunow,</i> Head of Operations, with a Board of Trustees' mandate within the Swiss Life Group</p> <p><i>Marius Würigler (until June 2021),</i> Head of Sales and Marketing</p>
Custodian bank and payment office	<p><i>UBS Switzerland AG</i> Bahnhofstrasse 45, CH-8001 Zurich</p>

Portfolio management	<p><i>Swiss Life Asset Management Ltd</i> General-Guisan-Quai 40, CH-8002 Zurich <i>Marcel Schmitt</i>, Portfolio Manager <i>Marie Seiler</i>, Deputy Portfolio Manager (since June 2021)</p>
Delegation of specific tasks	<p><i>Internal audit</i> Corporate Internal Audit of the Swiss Life Group <i>Specific tasks in Legal & Compliance and Risk Management</i> Swiss Life Investment Management Holding AG <i>IT infrastructure services, application development and operations,</i> <i>IT risk management and IT security,</i> Swiss Life Investment Management Holding AG and Swiss Life Ltd <i>Property management and technical maintenance</i> Livit Ltd and Ledermann Management Ltd <i>Hosting services client relationship management (CRM) tool</i> <i>Third Party Asset Management business area (TPAM)</i> Swiss Life Deutschland Operations GmbH</p>
Valuation experts	<p><i>Wüest Partner AG, Zurich</i> <i>Fabio Guerra</i>, dipl. Architekt ETH, Chartered Surveyor MRICS, MSc Real Estate (CUREM) <i>Pascal Marazzi-de Lima</i>, dipl. Architekt ETH, Chartered Surveyor MRICS</p>
Auditor	<p><i>PricewaterhouseCoopers AG</i> Birchstrasse 160, CH-8050 Zurich</p>
Trading	<p><i>Börse SIX Swiss Exchange AG</i></p>

Report on activities by Portfolio Management

Performance of the fund

Operating result and distribution

Target rental income in the 2020/2021 financial year was CHF 71 880 336. Vacancies, rental losses and corresponding provisions accounted for 3.61 % of this sum (rent default rate). CHF 9 299 687 or 12.94 % of target rental income was spent on value-preserving investments, maintenance and repairs. Running the properties (administration, rentals, property taxes etc.) cost CHF 7 348 912 or 10.22 % of target rental income. The property portfolio's resulting net income amounted to CHF 55 231 736 (76.84 % of target rental income).

The fund operating expenses came to CHF 14 933 873 (incl. the above-mentioned expenses for property management by Livit Ltd). The total expense ratio (TER) in relation to the total fund assets (GAV) therefore amounted to 0.79 %. After deduction of the remaining fund expenses, such as income and capital taxes as well as mortgage interest and other financing expenses, the fund's net income was CHF 34 642 218, or CHF 2.57 per unit.

CHF 35 100 000 will be distributed to investors from the operating result, or CHF 2.60 per unit.

The distribution yield based on the exchange price (as at 30 September 2021) is thus 1.83 %. The payout ratio in relation to the NAV is 2.29 %.

The complete statement of income is shown on page 21.

Performance of fund assets

A capital increase of around CHF 500.40 million took place on 17 December 2020. With a subscription ratio of two to one, a total of 4 500 000 new units were issued, which were fully absorbed.

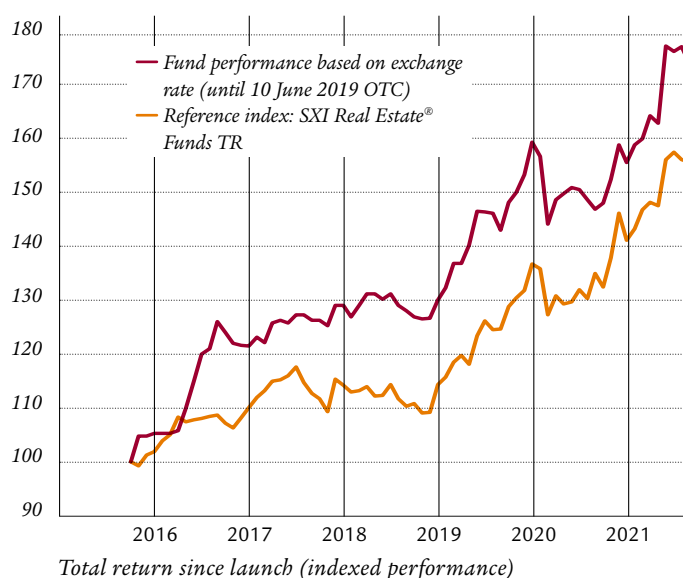
The issue price was CHF 111.20 per unit. With the capital increase, a portfolio of 46 properties was acquired from Swiss Life Ltd (see "Sales and purchases" section). Since the capital increase, there have been a total of 13 500 000 fund units in circulation.

Unrealised capital gains were recorded during the financial year. The market value of the properties in the portfolio throughout the entire reporting period increased by CHF 50 823 000 or 3.7 %. Value drivers included the high investor demand for properties in popular locations, particularly for residential properties. A share of the value increase was attributable to investments. The market value of all the properties as at 30 September 2021 came to CHF 1 999 294 000.

The accredited, independent valuation experts valued the real estate portfolio in accordance with the discounted cash flow method at an average discount rate of 2.64 % (net, real). The rates of the individual properties varied between 2.10 % and 3.60 %. At year-end, 21.83 % of the property values were financed with mortgages (borrowing ratio).

Overall performance

The total return in the 2020/2021 financial year was +18.34 %. This includes the performance of the exchange price and the profit distribution for the previous year (CHF 2.60 per unit). Over the same period, the listed Swiss real estate funds posted a total return of +15.30 % (SXI Real Estate® Funds Broad TR).



Portfolio management activities

Letting

Despite the ongoing COVID-19 pandemic, a high occupancy rate was maintained during the financial year. Vacancies only increased slightly on the previous year. An occupancy rate of 96.39% was achieved over the reporting period.

The good rental situation was due, among other things, to the high location quality of the properties and targeted efforts at the asset management, property management and marketing levels. The occupancy rate was additionally supported by a favourable mix of uses, which experienced an increase in the residential income share following a portfolio purchase in December 2020 (see “Sales and purchases” section). The distribution of the rental income across more than 7200 rental properties, including around 3200 apartments, and a large number of counterparties also contributed to the balanced rental situation.

Major rental successes included Marktgasse 22 in Bern, where a shop that had been vacant since the start of the financial year was newly let from July 2021. A smaller retail unit on Limmattalstrasse/Regensdorferstrasse in Zurich-Höngg was also let from March 2021. At the “Gartenstrasse 6” residential and commercial property in Zurich, an office unit with around 140 m² was newly let as of July 2021. Also in Zurich city centre, there was an early change of tenants for a larger retail unit in March 2021: it was necessary to release the previous tenant from the rental contract early, albeit subject to a one-off payment. At the same time, a new lease to a fashion store was signed seamlessly.

In January 2021, a new main tenant from the IT sector took up some 5400 m² of office space at the “Lindenstrasse 1” commercial property at Bern-Worblaufen station. The remaining office space of around 1200 m², which has been vacant since December 2020, was still on the market at the end of the financial year. Rental contracts for three office units with a total of some 1300 m² of rental space ended at Wiesenstrasse 8 in Zurich’s Seefeld district in May 2021. At the end of the financial year, new rental contracts were concluded for two units with around 750 m², with the lease starting in the next financial year. Both office premises had previously been renovated and additionally equipped with cooling ceilings, resulting in significantly higher rental income than previously. Vacancy rates for most of the residential properties were very low. Some properties recorded increased vacancy rates during the financial year, such as Via Cantonale in Savosa and Via Povro in Massagno. Marketing efforts have

already been intensified and are being optimised on an ongoing basis. One reason for the vacancies is the comparatively weak rental apartment market in Ticino.

Investments

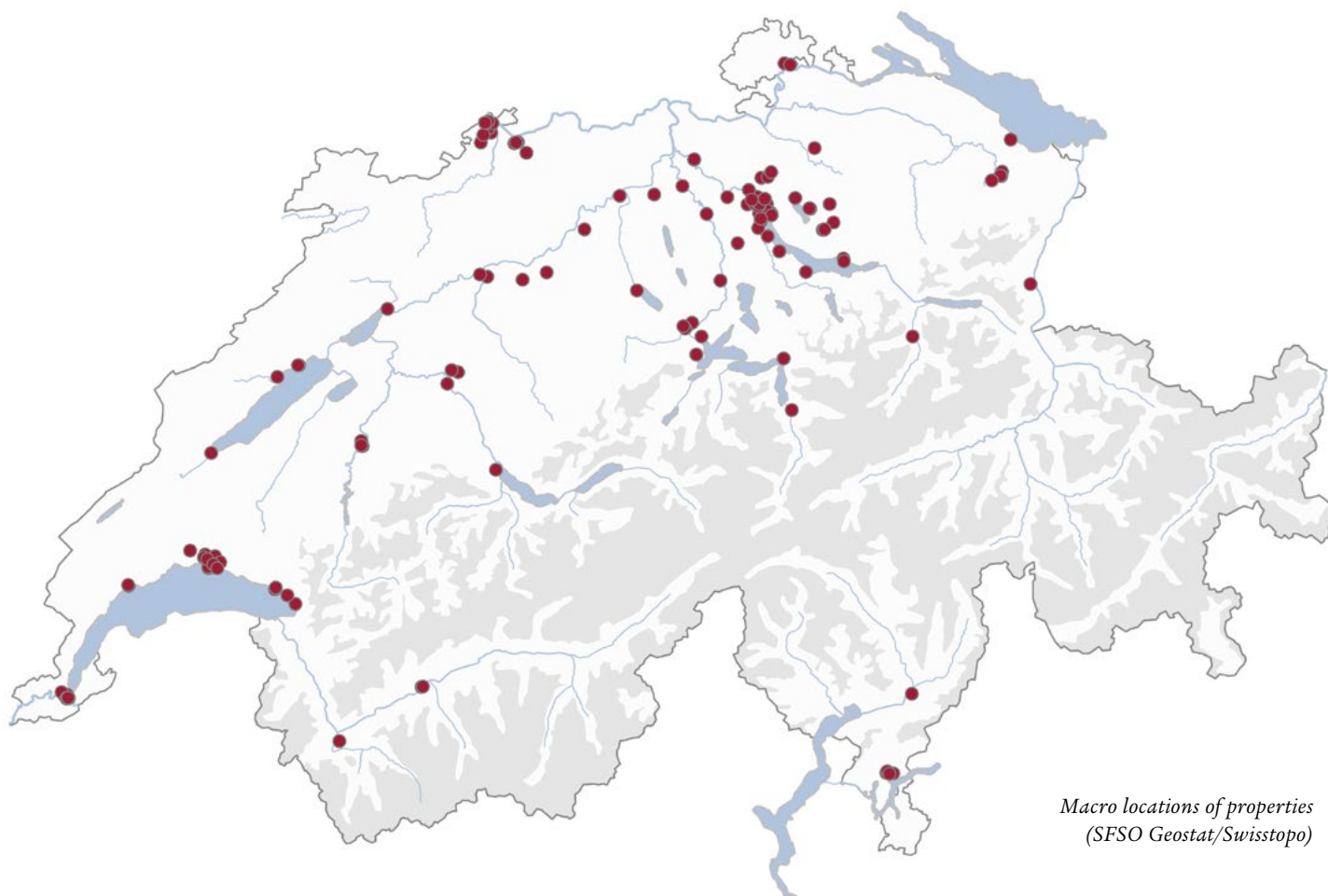
In the 2020/2021 financial year, a total of CHF 25 million was invested in construction projects. Of this amount, CHF 21.25 million were value-adding investments. The remaining CHF 3.75 million were charged as a value-preserving investments item in the statement of income.

The largest investment project in the financial year was the new building on Industriestrasse in Brunnen. Apartments, some offices and a retail unit are being built directly at the station under the “Hertipark” label; a long-standing anchor tenant is already under contract for the retail unit. These investments, which are to be viewed exclusively as value-adding, amounted to around CHF 11.27 million in the financial year. Completion is scheduled for 2022.

The remaining investments of around CHF 9.98 million concerned the renovation of existing properties. At the “Lindenstrasse 1” office building in Bern-Worblaufen, parts of the technology and the shading were renewed as part of the new lease (approx. CHF 2.15 million). At Münchensteinerstrasse 116 in Basel there were 17 apartments under renovation at the closing of business (approx. CHF 1.80 million). Work has been carried out on the underground car park, front windows, roofs and lifts at the “Seestrasse 341/345” residential and commercial property in Zurich (approx. CHF 1.68 million). Value-adding enhancements have been carried out to the vacant office units at Wiesenstrasse 8 with cooling ceilings, washrooms and kitchenettes (approx. CHF 0.81 million), and three new apartments have been installed at Spisergasse 25/27 in St. Gallen’s old town (approx. CHF 1 million), which previously contained unattractive retail units and ancillary space.

Sales and purchases

At the start of the financial year, a residential and commercial property in Zurich-Höngg was purchased as part of an arm’s-length transaction. The development, constructed in 1989, occupies the following addresses: Limmattalstrasse 186/200/202/204, Regensdorferstrasse 5/9 and Dorfbachweg 1/5/7. It contains a total of 33 apartments, some 1000 m² of office space and around 3700 m² of retail space. Approximately 2700 m² of the latter are let on a long-term lease to a



retailer, while the remainder are distributed among smaller shop tenants.

On 17 December 2020, the fund acquired a real estate portfolio from Swiss Life Ltd at a price of around CHF 511.84 million. The portfolio consisted of 46 high-quality properties with a strong focus on residential use (approximately 85 % of income). The portfolio comprises a total of almost 1150 apartments and some 4200 m² of office and retail space. The properties are mainly located in Swiss cities and their surrounding suburbs. Eleven properties are located in the city of Zurich, four each in Lausanne and Geneva and three in the city of Basel. The purchase was financed by a simultaneous capital increase with a subscription ratio of two to one (see “Performance of fund assets”). A total of 4 500 000 new units were issued for this purpose.

Two properties were sold during the business period. The sale of the residential property “Chemin Xavier-de-Poret 19/21/23/25” in Bulle (FR) took place on 30 June 2021. The 1994 apartment building with 40 apartments and a market value of CHF 12.86 million (as at 30 September 2020) required non-value-adding maintenance. At the same time, the comparably liquid rental apartment market in Bulle has

already led to falling rental income. The sale was completed significantly above the current market value.

The “Bruderholzstrasse 74” residential and commercial property in Basel was sold on 1 September 2021. Despite its very good location quality, the property, which was in great need of renovation, did not offer sufficient profitability. Furthermore, the small property with a market value of only around CHF 3.20 million (as at 30 September 2020) no longer reached the critical size for the fund portfolio and was sold above market value.

Real estate portfolio as at 30 September 2021

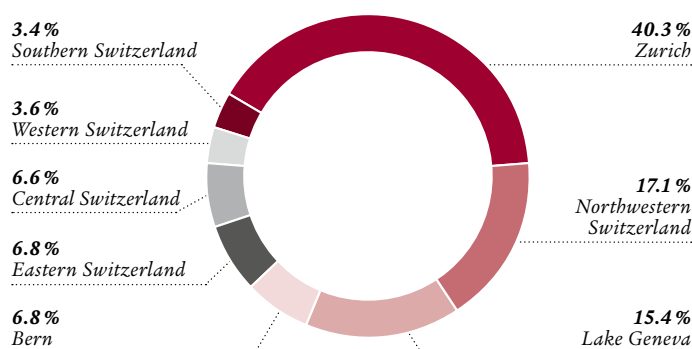
At a glance

The Swiss Properties fund has a real estate portfolio diversified across Switzerland with a total of 136 properties. Of these, 135 are existing properties with regular rental income and high occupancy rates. One property is a parcel of land where a residential construction project has already been approved. The market value of the portfolio at the end of the financial year amounted to CHF 1 999 294 000. The average property value was CHF 14 700 690. The “Wiesenstrasse 8/10” office and residential property in Zurich has the highest market value at CHF 58 520 000 and a share of 2.93 %.

Locations

The geographical portfolio strategy of the Swiss Properties fund is geared to the strength of the main Swiss business locations. The greatest value share of the fund’s properties as at 30 September 2021 was accordingly located in the major Swiss cities of Zurich, Basel, Bern, Lausanne and Geneva (see map). Other significant real estate assets are located in medium-sized towns and cities, such as Lucerne, Winterthur, St. Gallen, Rapperswil, Aarau, Neuchâtel and Fribourg. The remaining properties are in suburbs and small centres.

Based on the real estate market regions of Wüest Partner, the Zurich economic region comprised the largest share of property values at 40.3 % (see chart). The Northwest Switzerland region includes locations ranging from Basel and Aarau to Sins and accounted for 17.1 % of the values. The Lake Geneva region, including the cities of Geneva, Lausanne and Vevey, accounted for 15.4 % of the market values.



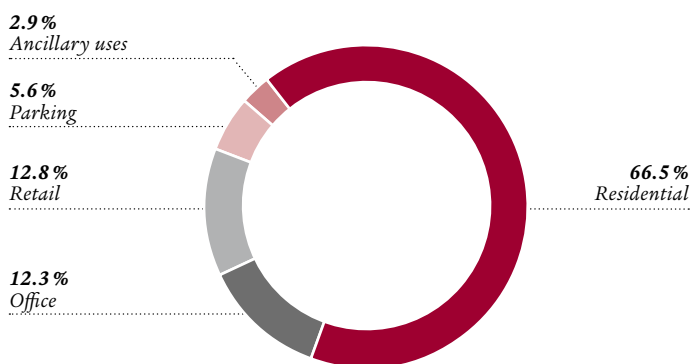
Distribution of real estate assets by real estate region (Wüest Partner)



Worblaufen,
Lindenhofstrasse 1

Usages

The Swiss Properties fund was broadly diversified in terms of property uses at the end of the financial year. As at 30 September 2021, 66.5 % of target net rents were generated from residential use (see chart), 12.3 % from office space and 12.8 % from retail use. The rest was attributable to ancillary uses and parking spaces.



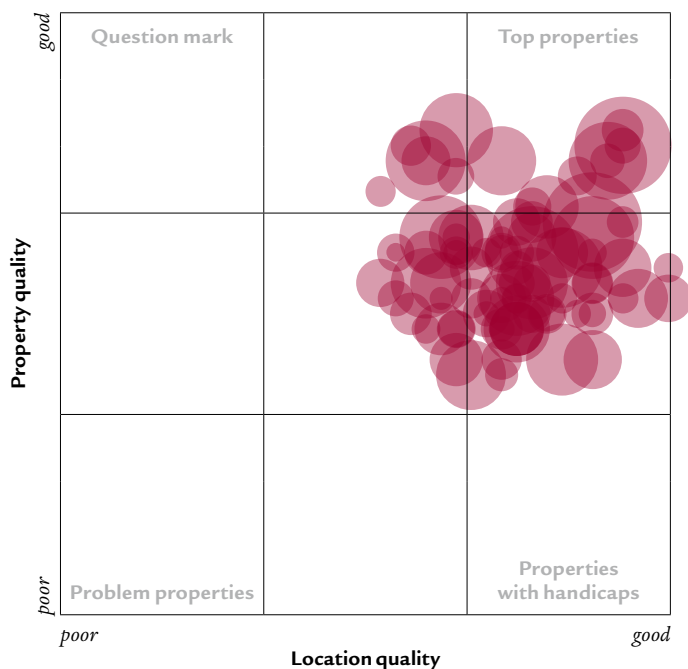
Distribution of rental income by property use
(Wüest Partner)

Portfolio matrix: location and property qualities

The location and property qualities of the real estate portfolio are summarised in the portfolio matrix shown. The quality co-efficient provided by Wüest Partner came to 3.8 for the fund portfolio as at 30 September 2021, on a scale of 1 to 5 (1 = very poor, 5 = very good), which means that, across the country, the portfolio boasted good to very good quality.

The co-efficients for macro and micro location, summarised as “location quality”, performed particularly well with an average of 4.5 and 3.7 respectively.

The average values for condition, standard and usability of the buildings (summarised under “property quality”) were between 3.4 and 3.5. The top right position of the properties in the portfolio matrix is a function of said location and building qualities.



Portfolio matrix: Size of circle corresponds to market values.
(Wüest Partner)

Economic environment and real estate markets

Economic environment

The Swiss economy is experiencing a healthy recovery without an excessively sharp rise in inflation, which requires no further monetary policy measures. Nevertheless, persistently high energy prices are providing an additional boost to inflation. An increase in the inflation rate of 1.3 % is forecast by the end of the year. However, assuming there is no change in monetary policy before mid-2024, no increase above the target range of 0 % to 2 % equated with price stability is expected in the years to follow. Swiss gross domestic product is already above pre-crisis levels again. Clearly in line with this development, the recovery is also reflected in the seasonally-adjusted unemployment rate, which is back at just under 3 %. As the slump in the recession year 2020 was less pronounced than expected, the forecasts for GDP growth in Switzerland have been lowered. Swiss Life Asset Managers expects GDP growth of 0.6 % for 2021 as a whole. These growth expectations will be lowered further for 2022 and set at 2.7 %.

Real estate investments

Against the backdrop of continuing low interest rates, demand for real estate was also maintained in the 2020/2021 financial year. The drivers of the positive changes in valuations were further falls in yield expectations that were reflected by lower discount rates. Properties in good locations with high earnings security performed particularly well. Retail space and properties in peripheral locations recorded stagnating or slightly falling valuations due to the declining rental income expectations in line with the economic trend.

Rental apartment market

A reduction in the vacancy rate to 1.54 % (2020: 1.62 %) can be observed in Switzerland in 2021. This decline in vacant apartments is due to the two opposing market forces of a decrease in housing construction and an increase in net migration. It is becoming increasingly difficult to find suitable residential building land, while at the same time the number of emigrants has fallen sharply. This trend is clearly observable in German-speaking Switzerland and for larger apartments, while vacancy rates in Ticino and for small apartments are continuing to rise.

Commercial property market

Due to its development and major uncertainties, the commercial property market in particular is polarising. While the easing measures are facilitating a swift recovery and acceleration of domestic momentum, a further shift in the risk profile by investors is observable. Both retail and office space and their rental price levels stand to benefit from central and well-frequented locations, good transport connections and flexible usability, thus enabling space to be adjusted to the requirements of tenants and market developments and demand to be secured.





Mellingen,
Im Geerig 67/69/75/77



ESG report

This report summarises the key elements of the ESG management approach and the key ESG initiatives relevant to Swiss Life REF (CH) Swiss Properties and presents the key ESG performance results for the product.

ESG management approach

Systematic ESG integration

The investment philosophy for Swiss Life REF (CH) Swiss Properties is based on the three pillars of responsibility as defined by Swiss Life Asset Managers in its cross-divisional *approach to responsible investment*: our fiduciary duty, our intergenerational responsibility and our active assumption of responsibility towards our stakeholders.

The Guideline for Responsible Property Investments which builds on this defines the ecological, social and governance principles across the entire real estate investment process – from the acquisition to the design of development and construction projects to the management of the portfolio holdings: In the case of acquisitions, an assessment of ESG risks and potential is carried out as an integral part of the due diligence process.

In construction projects, specially developed sustainability building directives are applied. These include, for example, minimum energy requirements and guidelines for the targeted application of construction standards such as BREEAM, LEED, DGNB, SNBS and Minergie. ESG aspects are also systematically taken into account in the existing portfolio, for example through the integration of corresponding guidelines in the management manual.

Targeted ESG action focus

In addition to the comprehensive integration of ESG criteria throughout the real estate investment process, there is targeted action planning and implementation in defined action focal areas (see “ESG action focus & initiatives”). These are derived from the Swiss Life Asset Managers materiality matrix, which assesses ESG topics in the environmental, social and governance dimensions according to their relevance and the extent to which they can be influenced.

Continuous improvement cycle

Finally, all elements of ESG management – from the definition of the strategy and goals through implementation measures to monitoring and reporting – are embedded in a continuous further development process. This facilitates a steady, iterative improvement in the ESG performance of Swiss Life REF (CH) Swiss Properties.

Swiss Life Asset Managers responsible investment approach



For more information on responsible investment activities at Swiss Life Asset Managers in the area of real estate and other asset classes, visit our website where the comprehensive responsible investment report is available.

ESG action focus & initiatives



ESG environment action focus: Reducing climate impacts

Buildings are very CO₂ intensive by nature and are therefore among the main causes of climate change. Monitoring and improving the energy and CO₂ balance sheet of our properties is therefore the focus of our intergenerational responsibility.

Energy-related portfolio optimisation in the portfolio

After a systematic, cross-product energy-related portfolio analysis in 2018, a comprehensive energy-related optimisation programme was formulated, with implementation launched in mid-2019. 12 energy-related operational optimisations have since been initiated for Swiss Life REF (CH) Swiss Properties by the end of the reporting year.

Comprehensive elimination of fossil fuel heating

With the entry into force of a CO₂ directive in May 2021, a practice that had already been implemented to a large extent was firmly rooted in the core processes. The directive stipulates that fossil fuels (oil, gas) may no longer be used for all measures involving the purchase of a new heating system. Exceptions must be technically justified and accompanied whenever possible by mitigating strategies. At the end of the financial year, the proportion of space heated with renewable systems was 23%¹. With the implementation of the directive, this proportion will gradually increase over the next few years.

Expansion of photovoltaic systems (PV)

In order to further increase the use of renewable energies in existing properties, we are conducting a cross-portfolio analysis of potential for photovoltaic (PV) systems. To this end, Fontavis AG, which was acquired by Swiss Life Investment Management Holding AG at the end of 2018, has defined a collaboration with SonnenPool AG, which specialises in contracting new solar installations. The aim of the project is to identify suitable properties for the installation of photovoltaic systems and to exploit the existing PV potential of the portfolio while taking ecological and economic aspects into account.

Central locations, sparing use of land

Not least in mountainous and populous Switzerland, usable land is scarce. Many of our long-standing properties are now located in central, urban locations where, thanks to densely built plots, they make sparing use of the land. Potential in the portfolio is identified by means of targeted portfolio analyses and refurbishment strategies, and suitable projects are then defined for the consolidation and upgrading of the properties. In addition to creating economic value, land use is minimised, and high building quality is achieved in accordance with the best energy standards. As they are easily accessible, central locations also help to reduce traffic volumes and enhance quality of life for the users.



ESG social action focus. Satisfaction and well-being of tenants

Active assumption of responsibility also includes involving our tenants in order to understand their needs and seize opportunities that create shared and long-term added value. The satisfaction and well-being of our tenants are the focus of our social activities.

Active tenant feedback process

Since 2019, we have regularly conducted comprehensive surveys on tenant satisfaction. The aim of the initiative is to understand the factors contributing to tenant satisfaction and to identify potential for optimisation. Alternating surveys are planned for around 38% of residential tenants and 5% of business tenants per year. The results are interpreted at portfolio level. They corroborate our efforts to continuously improve people's satisfaction with their housing, focusing on such aspects as room temperature, building condition, ancillary costs and assistance from estate and facility management staff. Potential at property level is further analysed by our management company Livit, and measures are implemented to further increase the satisfaction of our tenants.

¹ % of the portfolio's floor area that is not primarily heated with oil or gas heating.

Maximum consideration

Some development and renovation projects have a severe impact on tenants – in extreme cases, terminating the lease on the property may be unavoidable. In order to deal with such situations with the greatest possible regard for the tenants concerned, a rental-termination programme has been defined to cushion the possible social impact of such interventions. This includes, among other things, ensuring that communication is prompt, transparent, tactful and personal, actively searching for alternative rental properties in Livit's own portfolio, as well as proactive referrals and recommendations to third-party estate managers. No restructuring-related terminations were issued during the reporting period.

Solidarity in times of COVID-19

Swiss Life Asset Managers decided at an early stage to provide assistance in the form of rent waivers to very small businesses and self-employed persons who were particularly affected by the Federal Council measures to counter COVID-19. Other companies were also granted unbureaucratic deferral of rent.



ESG governance action focus: Stakeholder engagement and transparency

We view a high level of transparency in investment decision-making as a key aspect of our fiduciary duty. As a further element of our ESG governance, we actively seek dialogue with our stakeholders, i.e. tenants, users and operators as well as national and international organisations.

Stakeholder engagement: integration of sustainability aspects in rental contracts

Many sustainable development goals can only be achieved jointly. For this reason, we have been integrating green lease clauses in new rental contracts since September of the year under review. Landlords and tenants thus commit to doing their utmost to manage and use the property in an environmentally-friendly manner within their scope of action.

Stakeholder engagement: raising awareness among users

Conserving natural resources pays off for all of us and works best with combined forces. We therefore also endeavour to raise our tenants' and users' awareness of sustainability aspects. For example, we inform our residential tenants about ecological user behaviour via our management organisation's website. The aim of the initiative is to show tenants how they can usefully save energy, electricity and water and avoid waste in their homes. In future, the information about ecological user behaviour will be available via the app of our management organisation, which is currently being rolled out.

Another tool we have used to encourage our tenants to pursue common ecological goals is our "hot water challenge", which was conducted in 2019 (see 2019/2020 Annual Report). The playful awareness campaign, conceived by a research group of the Swiss Federal Institute of Technology (ETH) in cooperation with the Swiss Life Asset Managers Economic Research Team, proved extremely effective. Not only did the participating households save around 6% of their hot water consumption compared to the control group during the challenge period, but significant effects were also observed several months after the hot water challenge was concluded. The later data analysis also showed that the challenge had significant spill-over effects on cold water and heating energy consumption, so that these consumption levels were also significantly reduced. The Swiss National Science Foundation (SNSF) decided in the financial year to support the research cooperation (now under the umbrella of the University of Zurich) for the next four years. This is intended to enable further environmental and behavioural economic projects to be realised in cooperation between research and practice.

Transparency regarding ESG performance

In order to ensure ESG transparency for our investors, we have been a member of GRESB since 2018 and since then have been participating in the annual global ESG benchmarking. GRESB is a real estate industry company that assesses the performance of real estate portfolios in terms of the environment, social affairs and corporate governance. We publish the results of the benchmarking for Swiss Life REF (CH) Swiss Properties on an annual basis (see GRESB

scoring) and analyse them in order to identify further potential for improvement. We are also involved in other national and international initiatives that pursue overarching sustainable development goals. For example, we are a signatory to the Principles for Responsible Investment (PRI) and a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD).

ESG case study

Mellingen, Im Geerig 67/69/75/77



- Residential property constructed in 2012
- 44 apartments
- Rental space 4067 m²
- Minergie certification
- Geothermal heat pump

The modern “Im Geerig 67/69/75/77” residential complex is located in the western district of Mellingen. A bus stop, larger grocery stores, schools, sports facilities and an indoor swimming pool can be found within a radius of just 200 metres. The 44 apartments are efficiently accessed through just four access cores. The buildings are certified to the Minergie standard, have comfort ventilation and are heated by a geothermal heat pump. The development is characterised by a good mixture of greenery and compactness and combines energy efficiency with optimum local amenities.




Contribution to the UN Sustainable Development Goals:



The 17 United Nations Sustainable Development Goals

ESG portfolio performance

Measurements and key values on ESG action focus

	Environment	12 energy-related operational optimisations initiated in the last two years
	Social	38% of apartment tenants surveyed about their satisfaction during the financial year
		5% of business tenants surveyed about their satisfaction during the financial year ¹
	Governance	☆☆☆ GRESB Green Star Status, three of five stars
		75 points scored in the 2021 GRESB assessment

¹ Due to the current coronavirus situation and the associated bilateral discussions with retail tenants, the business tenant survey was limited to office tenants this year. The survey response rate as a percentage of office tenants was 10 %.

Key Performance Indicators		2018/2019	2019/2020
Energy consumption (excluding tenant electricity) ²	kWh	23 408 243	23 609 289
of which general electricity	kWh	2 012 504	1 895 960
of which energy for heat generation	kWh	21 395 739	21 713 329
Data coverage for general electricity ³	%	92.3 %	84.9 %
Energy data coverage for heat generation ³	%	88.7 %	80.5 %
Energy intensity ⁴	kWh/m ²	80.3	81.6
CO ₂ emissions ⁵	kg CO ₂ -eq	4 804 116	4 811 291
CO ₂ intensity ⁴	kg CO ₂ -eq/m ²	16.5	16.6
Proportion of properties with building standards label ⁶	%	n/a	7.5 %

² The kWh refer to the energy consumed for heat generation and general electricity. No extrapolated values are used based on the GRESB reporting requirements. Values incl. vacancy correction, excl. climate correction.

³ Calculation of data coverage based on the "data coverage" as per GRESB (coverage in terms of area and time, not suitable for linear extrapolations).

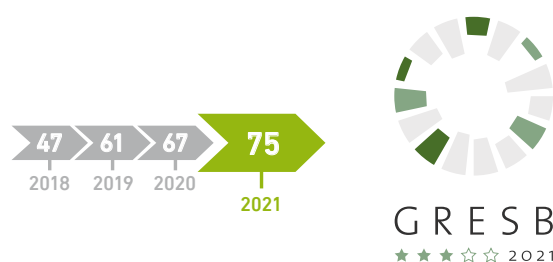
⁴ The m² refers to the floor area. For the calculation of the intensity indicators, only those properties are included for which a complete 12-month data series was available for heating energy and general electricity consumption. Due to the small number of properties with full data coverage, the values for the 2019/2020 financial year are only representative to a limited extent. Values incl. vacancy correction and climate correction.

⁵ CO₂ emissions in kg CO₂ equivalents. Emission factors have been used that comply with the methodological principles of the GHG Protocol.

⁶ In percent of floor area. Since 2021, based on the GRESB reporting requirements, only completed certifications are taken into account, excluding construction projects. There is no recalculation of the previous year's values.

GRESB scoring

GRESB is an organisation that assesses the performance of real estate funds and real estate companies on the basis of environmental, social and governance factors. GRESB has reviewed the sustainability performance of Swiss Life REF (CH) Swiss Properties every year since 2018.



Statement of net assets

Statement of net assets	30/09/2021 CHF	30/09/2020 CHF
Assets		
Cash on hand, post office and bank sight deposits, including fiduciary deposits with third-party banks	2 966 938.93	5 560 118.91
<i>Real estate</i>		
Residential property	1 258 179 000.00	847 785 000.00
Commercial property	497 632 000.00	413 696 000.00
Mixed-use property	213 283 000.00	94 788 000.00
Building land, incl. properties for demolition and buildings under construction	30 200 000.00	19 360 000.00
Total real estate	1 999 294 000.00	1 375 629 000.00
Other assets	11 331 748.59	6 774 992.38
Total fund assets	2 013 592 687.52	1 387 964 111.29
Liabilities		
<i>Short-term liabilities</i>		
Short-term interest-bearing mortgages and other liabilities secured by mortgage	247 055 000.00	161 870 000.00
Other short-term liabilities	33 029 198.01	20 304 182.08
Total short-term liabilities	280 084 198.01	182 174 182.08
<i>Long-term liabilities</i>		
Long-term interest-bearing mortgages and other liabilities secured by mortgage	189 373 000.00	197 411 000.00
Total long-term liabilities	189 373 000.00	197 411 000.00
Total liabilities	469 457 198.01	379 585 182.08
Net fund assets before estimated liquidation taxes	1 544 135 489.51	1 008 378 929.21
Estimated liquidation taxes	13 834 000.00	9 498 200.00
Net fund assets	1 530 301 489.51	998 880 729.21

Units	30/09/2021	30/09/2020
Number of units in circulation at the beginning of the reporting period	9 000 000	9 000 000
Issued	4 500 000	0
Redeemed	0	0
Number of units in circulation at the end of the reporting period	13 500 000	9 000 000
Net asset value per unit in CHF at the end of the reporting period	113.36	110.99

Change in net fund assets	01/10/2020–30/09/2021 CHF	01/10/2019–30/09/2020 CHF
Net fund assets at the beginning of the reporting period	998 880 729.21	979 760 399.86
Distributions	–23 400 000.00	–23 400 000.00
Balance from unit transactions excl. equalisation on the issue of units/ payment of current income on the redemption of units	488 160 000.00	0.00
Total net income	66 660 760.30	42 520 329.35
Balance allocation/withdrawal provisions for future repairs	0.00	0.00
Net fund assets at the end of the reporting period	1 530 301 489.51	998 880 729.21

Statement of income

Statement of income	01/10/2020–30/09/2021 CHF	01/10/2019–30/09/2020 CHF
Income		
Rental income (gross income received)	68 734 503.08	51 872 816.00
Other income	3 997.80	701.15
Current net income paid in on issued units	2 430 000.00	0.00
Total income	71 168 500.88	51 873 517.15
Aufwendungen		
Mortgage interest and interest from liabilities secured by mortgage	1 869 656.44	1 841 848.66
Other interest due	1 481.47	583.10
Negative interest	12 001.90	9 940.30
Remuneration for building rights	349 999.80	349 999.80
Maintenance and repairs ¹	9 299 687.22	6 141 337.20
<i>Property management</i>		
Property expenses	3 050 593.69	1 577 622.68
Administrative expenses	91 098.48	89 031.38
<i>Taxes and levies</i>		
Property taxes	1 411 806.88	583 112.05
Taxes on corporate income and capital	9 307 320.05	6 323 098.43
Appraisals and auditing expenses	260 237.00	288 631.83
<i>Provisions for future repairs</i>		
Allocation	0.00	0.00
Withdrawal	0.00	0.00
<i>Remunerations to the following in accordance with the fund regulation:</i>		
the fund management company	11 734 459.42	8 168 435.82
the custodian bank	40 000.00	40 000.00
the property management	2 795 413.30	2 092 074.55
Other expenses	13 563.08	96 369.91
Current net income paid out on redeemed units	0.00	0.00
Total expenses	40 237 318.73	27 602 085.71
Net income	30 931 182.15	24 271 431.44
Realised capital gains and losses	3 711 035.50	0.00
Realised net income	34 642 217.65	24 271 431.44
Unrealised capital gains and losses	36 354 342.65	20 514 197.91
Liquidation taxes	-4 335 800.00	-2 265 300.00
Total net income	66 660 760.30	42 520 329.35

¹The total expenses for maintenance and repairs of 9 299 687.22

comprise 5 512 605.72 for maintenance

and 3 787 081.50 for repairs

	01/10/2020–30/09/2021	01/10/2019–30/09/2020
Appropriation of net income	CHF	CHF
Net income of reporting period	30 931 182.15	24 271 431.44
Carried forward from the previous year	903 857.04	32 425.60
Income available for distribution	31 835 039.19	24 303 857.04
Income earmarked for distribution to investors	31 725 000.00	23 400 000.00
Income retained for reinvestment	0.00	0.00
Balance carried forward to new account	110 039.19	903 857.04

	01/10/2020–30/09/2021	01/10/2019–30/09/2020
Use of capital gain	CHF	CHF
Capital gains from accounting period	3 711 035.50	0.00
Capital gains from previous accounting years	0.00	0.00
Capital gains available for distribution	3 711 035.50	0.00
Capital gains intended for distribution to investors	3 375 000.00	0.00
Balance carried forward to new account	336 035.50	0.00

	01/10/2020–30/09/2021	01/10/2019–30/09/2020
Distribution of income	CHF	CHF
<i>Distribution date 26.11.2021, payment date 30.11.2021</i>	2.60	2.60
Distribution per unit to investors		
Net amount	2.60	2.60

Notes

Information on balance sheet and redeemed units

		30/09/2021	30/09/2020
Balance of depreciation account for land and buildings	CHF	0.00	0.00
Balance of provisions account for future repairs	CHF	0.00	0.00
Balance of account for income retained for reinvestment	CHF	0.00	0.00
Number of units scheduled for redemption at the end of the next accounting year		0	0

Information on derivatives

None.

Information concerning soft commission agreements

The fund management company has neither concluded agreements in respect of commission sharing nor other agreements concerning retrocessions in the form of so-called “soft commissions”.

Principles for the assessment and calculation of net asset value

In accordance with §16 of the fund contract (“Calculation of net asset value and involvement of valuation experts”), the net asset value of the real estate fund is calculated in Swiss francs at market value at the end of the accounting year and at each issue of units. No revaluation of real estate investments or market indication was carried out on the balance sheet date of 31 March 2021.

The net asset value of a unit is derived from the market value of the fund assets, less any liabilities of the investment fund and any taxes likely to be incurred in the liquidation of the fund assets, divided by the number of units in circulation.

In accordance with Art. 88, cl. 2 CISA, Art. 92 and 93 CISO as well as the SFAMA guidelines for real estate funds, the fund’s properties are regularly appraised by independent valuation experts, accredited with the supervisory authority, using a dynamic discounted cash-flow method, or DCF. The assessment is done at the price that would be likely to be achieved by a considered sale at the time of the appraisal.

Upon acquisition or disposal of properties among the fund assets and at the closing of books each year, the market value of properties among the fund assets must be reviewed by the valuation experts.

The market value of individual properties constitutes the price that would likely be achieved in an ordinary business transaction and assuming a considered purchase and sale process. In individual cases, especially upon the purchase and sale of fund properties, any opportunities arising in the interest of the fund are exploited to best possible advantage, which may lead to deviations from the assessments.

For further details on market prices, see the real estate appraiser’s *valuation report* on page 44.

Fees and incidental costs

	01/10/2020–30/09/2021		01/10/2019–30/09/2020	
	Maximum	Actual	Maximum	Actual
Fees in favour of the fund management company				
Annual commission for the administration, asset management and distribution of the real estate fund (as % of the fund's total assets)	1.00 %	0.62 %	1.00 %	0.62 %
Commission for efforts and costs in connection with the construction of buildings, renovations and conversions (as % of building costs)	3.00 %	3.00 %	3.00 %	3.00 %
Commission for efforts and costs in connection with the management of individual properties (as % of annual rental income)	5.00 %	4.06 %	5.00 %	4.03 %
Commission for efforts and costs in connection with the purchase and sale of properties (as % of the purchase or sale price as long as no third party has been commissioned with this)	2.00 %	1.50 %	2.00 %	1.50 %
Issuing commission (as % of the net asset value of the newly issued units)	5.00 %	2.00 %	5.00 %	0.00 %
Redemption commission (as % of the net asset value of the redeemed units)	1.50 %	0.00 %	1.50 %	0.00 %
Fees in favour of the custodian bank				
Annual commission for the safekeeping of the fund assets, the handling of payment transactions of the real estate fund and the other tasks of the custodian bank as set out in § 4 of the fund contract (as % of the fund's total assets)	0.10 %	0.01 %	0.10 %	0.01 %
Commission for the distribution of the annual income to the investors	0.50 %	0.00 %	0.50 %	0.00 %

Total amount of contractual payment obligations after the balance sheet date for property purchases, construction orders and investments in properties

Swiss Life Asset Management Ltd has concluded a works contract with the total contractor for the ongoing construction project in Brunnen.

Payment obligations after the balance sheet date amount to a total of CHF 5 685 000 until the scheduled readiness for occupation in May 2022.

Restrictions on sale in the USA

Units of this investment fund may not be offered, sold or delivered within the United States. Units of this investment fund may not be offered, sold or delivered to citizens of the USA or persons resident in the USA and/or other natural persons or legal entities whose income and/or earnings, regardless of their origin, are liable to US income tax, as well as persons deemed US persons in accordance with the latest version of Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act.

Further information can be found under *Highlights, Schedule of properties and Mortgages, fixed advances, loans and credits*.

St. Gallen,
Spisergasse 25-27



Schedule of properties

Place	Address	Type of ownership	Purchase price CHF	Market value CHF	Target rental income ¹ CHF	Rental loss CHF
Residential buildings						
Adliswil	Grundstrasse 11/11a/13	Wholly owned	8 039 124	9 175 000	354 579	2 905
Affoltern am Albis	Pfruendlhofstrasse 44-62	Wholly owned	32 645 789	33 480 000	882 374	38 336
Altdorf UR	Bahnhofstrasse 37	Wholly owned	3 753 798	4 046 000	183 155	200
Arbon	Brühlstrasse 87a-d	Wholly owned	7 765 340	7 235 000	290 708	-909
Basel	Münchensteinerstrasse 116	Wholly owned	7 677 930	9 012 000	230 107	7 771
Basel	Rosentalstrasse 29	Wholly owned	4 601 000	4 640 000	147 959	7 100
Basel	Vogesenstrasse 31/31a/33	Wholly owned	21 044 837	21 070 000	578 855	4 200
Basel	Zähringerstrasse 18	Wholly owned	4 736 113	4 800 000	145 010	600
Bellinzona	Via Antonio Arcioni 5/5a	Wholly owned	4 262 178	4 238 000	151 539	21 520
Binningen	Hauptstrasse 115/117/119	Wholly owned	14 805 321	15 070 000	465 471	16 024
Bremgarten AG	Sentenhübel 1/2/3/4	Wholly owned	10 870 779	11 070 000	464 546	3 616
Bussigny	Rue de Lausanne 52a/b/c	Wholly owned	27 742 334	26 990 000	913 693	70 812
Clarens	Avenue des Brayères 1a/1b/1c	Wholly owned	12 370 813	12 360 000	412 073	1 734
Colombier NE	Chemin de Notre-Dame 18a/18b	Wholly owned	5 968 515	7 346 000	297 887	14 593
Derendingen	Schluchtbachstrasse 10/12/14	Wholly owned	18 031 988	17 300 000	759 051	50 674
Emmen	Than 1	Wholly owned	9 732 121	9 761 000	379 175	-6 255
Emmenbrücke	Haldenstrasse 21/23/25	Wholly owned	10 300 185	11 010 000	422 263	26 184
Emmenbrücke	Listrigstrasse 12/14	Wholly owned	18 079 266	17 860 000	627 707	31 387
Fribourg	Avenue du Midi 1	Wholly owned	14 131 197	14 300 000	582 004	20 872
Fribourg	Avenue du Général-Guisan 34	Wholly owned	15 405 065	14 330 000	696 003	154 068
Fribourg	Rue Jacques-Vogt 2	Wholly owned	3 807 058	4 053 000	184 337	1 375
Geneva	Chemin Surinam 4	Wholly owned	11 011 297	11 360 000	271 008	13 056
Geneva	Rue des Bains 50/52	Wholly owned	30 199 666	33 260 000	1 147 763	-54 111
Geneva	Rue Monnier 11	Wholly owned	8 905 875	12 150 000	376 930	0
Geneva	Rue Prévost-Martin 33	Wholly owned	7 999 064	8 487 000	139 018	6 120
Glarus	Adlergut 5-7	Wholly owned	4 271 465	4 755 000	220 344	24 863
Glattbrugg	Gartenstrasse 7	Wholly owned	8 135 961	9 560 000	306 412	3 767
Gossau ZH	Im Grünenhof 19/21/23/25	Wholly owned	11 581 386	11 740 000	367 659	31 186
Gossau ZH	Unterhofen 1/2/3/4/5/7	Wholly owned	16 039 902	17 440 000	635 520	40 615
Herzogenbuchsee	Kappeliweg 20	Wholly owned	6 670 922	6 707 000	276 722	11 336
Horgen	Zugerstrasse 80/82	Wholly owned	3 961 156	5 032 000	184 057	-4 228
Horw	Brunnmattstrasse 10	Wholly owned	9 271 940	9 761 000	356 864	5 841
Horw	Brunnmattstrasse 18	Wholly owned	10 178 151	10 610 000	382 132	7 575
Ittigen	Talgut-Zentrum 10/12/38/40	Wholly owned	29 255 113	34 690 000	1 384 570	14 217
Jona	Meienfeldstrasse 4-82	Wholly owned	38 973 204	47 170 000	1 957 683	71 447
Kilchberg ZH	Stockenstrasse 39/41	Wholly owned	25 123 617	32 400 000	1 061 792	9 093
Kloten	Balsbergweg 9/11/13	Wholly owned	23 784 609	29 520 000	1 007 579	5 686
Langenthal	Melchnaustasse 8/10	Wholly owned	2 966 437	3 205 000	185 561	8 454
Lausanne	Avenue de Collonges 9	Wholly owned	8 874 241	8 973 000	334 723	416
Lausanne	Avenue de l'Avant-Poste 1	Wholly owned	6 546 850	6 590 000	190 296	1 525
Lausanne	Chemin de Pierrefleur 70	Wholly owned	20 494 981	23 020 000	975 716	3 336

Rental loss %	Rental income (gross income received) 01/10/2020–30/09/2021 CHF	Apartments Number	Residential m ²	Offices/ practices m ²	Retail/ shops m ²	Other rental space m ²	Total rental space m ²	Parking spaces Number
0.82%	351674	28	1877	0	0	0	1877	6
4.34%	837518	62	5178	0	0	0	5178	56
0.11%	182955	12	913	0	0	0	913	14
-0.31%	291617	21	1445	0	0	0	1445	13
3.38%	222336	17	1381	121	0	117	1619	0
4.80%	140859	17	997	0	0	0	997	0
0.73%	574655	52	3300	0	0	0	3300	43
0.41%	144410	15	920	0	34	32	986	1
14.20%	126999	16	1083	0	0	0	1083	0
3.44%	448860	42	2674	0	160	26	2859	20
0.78%	460930	32	2438	0	0	2.5	2440	24
7.75%	841741	50	2868	0	0	0	2868	39
0.42%	410339	50	3121	0	0	0	3121	22
4.90%	283295	20	1671	0	0	3	1674	20
6.68%	708377	53	3681	0	0	0	3681	74
-1.65%	385430	21	1725	0	0	0	1725	26
6.20%	393768	36	2161	0	0	0	2161	23
5.00%	596320	60	4599	0	0	0	4599	59
3.59%	561132	56	3359	0	367	0	3726	3
22.14%	541936	37	2852	0	452	710	4014	38
0.75%	182961	15	1071	0	53	0	1124	0
4.82%	257952	11	1001	0	0	0	1001	6
-4.71%	1199004	30	3201	0	572	0	3773	16
0.00%	376930	18	1367	0	0	0	1367	0
4.40%	132898	21	1338	0	0	0	1338	0
11.28%	192331	16	1306	0	0	0	1306	17
1.23%	302645	23	1498	0	0	0	1498	24
8.48%	333303	33	2507	0	0	0	2507	30
6.39%	593435	50	3228	0	0	0	3228	68
4.10%	265386	18	1377	0	0	0	1377	19
-2.30%	188285	12	745	0	0	0	745	0
1.64%	351024	24	1783	0	0	0	1783	23
1.98%	374557	22	1829	0	0	0	1829	17
1.03%	1369432	63	5708	0	324	0	6033	71
3.65%	1880216	129	10038	0	0	50	10088	129
0.86%	1052699	64	4553	0	0	0	4553	72
0.56%	1001893	64	4057	0	0	81	4138	32
4.56%	176200	14	1036	0	138	84	1258	6
0.12%	334307	42	1949	0	0	0	1949	5
0.80%	188771	16	993	0	0	0	993	0
0.34%	972380	60	4622	0	0	0	4622	57

Place	Address	Type of ownership	Purchase price CHF	Market value CHF	Target rental income ¹ CHF	Rental loss CHF
Lausanne	Chemin des Mouettes 8/10	Wholly owned	7 595 252	7 912 000	216 254	3 397
Lausanne	Route de Berne 16/18	Wholly owned	6 554 023	6 596 000	198 320	0
Lausanne	Rue Mathurin-Cordier 1	Wholly owned	7 880 652	8 563 000	342 630	3 832
Lenzburg	Hardstrasse 1/1a	Wholly owned	23 751 138	24 630 000	994 263	25 754
Liestal	Erlenstrasse 1/5	Wholly owned	9 074 370	9 043 000	294 915	11 066
Lucerne	Haldenrain 7/9	Wholly owned	6 430 240	6 813 000	243 426	622
Martigny	Rue de la Prairie 5/4/16	Wholly owned	4 748 068	4 657 000	241 219	36 187
Massagno	Via Povrò 9	Wholly owned	4 463 241	4 704 000	224 567	68 118
Massagno	Via Tesserete 33	Wholly owned	7 643 756	7 539 000	263 331	27 614
Mellingen	Im Geerig 67/69/75/77	Wholly owned	22 762 770	22 650 000	722 594	2 504
Mont-sur-Rolle	Chemin du Levant 7/9/11	Wholly owned	9 657 213	9 807 000	321 176	350
Mont-sur-Rolle	Chemin du Rupalet 13/15	Wholly owned	12 012 641	12 020 000	514 744	33 227
Nidau	Strandweg 5	Wholly owned	4 927 406	5 099 000	226 738	-5 726
Oberwil	Stallenmattstrasse 2-14	Wholly owned	40 271 500	39 560 000	1 532 628	42 373
Oftringen	Irisweg 9/11	Wholly owned	5 066 814	5 175 000	185 827	3 863
Pfäffikon ZH	Büelstrasse 24/26/28/30/32	Wholly owned	16 867 795	18 230 000	608 374	2 020
Pratteln	Farnsburgerstrasse 1/3	Wholly owned	5 919 713	7 104 000	288 732	6 959
Pratteln	St. Jakobstrasse 29, Esterlistrasse 20	Wholly owned	9 860 409	9 721 000	300 021	12 803
Pratteln	Unterer Rütshetenweg 36/38/40/42	Wholly owned	10 124 301	10 550 000	429 524	4 339
Prilly	Route de Cossonay 1/1bis	Wholly owned	9 712 997	10 390 000	420 890	1 629
Pully	Chemin de la Fontanettaz 4/6/8	Wholly owned	5 647 048	5 561 000	201 739	2 448
Pully	Chemin de Somaïs 38/40/42	Wholly owned	8 426 391	8 317 000	260 634	0
Rapperswil SG	Schulstrasse 9	Wholly owned	13 863 196	13 940 000	464 198	7 794
Richterswil	Im Langacher 8/10	Wholly owned	11 409 884	11 500 000	286 081	6 626
Savosa	Via Cantonale 12/12a/12b/12c	Wholly owned	14 266 701	14 780 000	657 376	89 387
Schaffhausen	Julierstrasse 3/5/7/9	Wholly owned	7 696 286	7 583 000	261 262	19 665
Schaffhausen	Zur Stahlgiesserei 1/2	Wholly owned	41 065 526	43 550 000	1 755 499	100 944
Schwerzenbach	Einhardweg 2-10	Wholly owned	21 108 997	21 990 000	808 983	29 116
Sins	Rosswald 1	Wholly owned	21 062 186	24 200 000	1 092 372	52 090
Sion	Rue du Chanoine-Berchtold 12/14	Wholly owned	7 378 932	7 361 000	351 455	8 492
St. Gallen	Ahornstrasse 29-37	Wholly owned	18 555 121	18 630 000	670 920	10 986
St. Gallen	Langgasse 2	Wholly owned	5 089 325	5 555 000	274 928	6 225
Sursee	Christoph Schnyder-Strasse 30	Wholly owned	23 810 474	27 550 000	1 161 161	19 495
Territet-Veytaux	Avenue de Chillon 68	Wholly owned	7 306 706	7 587 000	339 436	12 545
Thalwil	Feldstrasse 20/22	Wholly owned	6 562 233	7 184 000	224 233	2 980
Thun	Dohlenweg 2/4/6/8/10/12/14/16	Wholly owned	16 575 988	16 510 000	563 548	12 091
Urdorf	Krummackerstrasse 12-26	Wholly owned	16 495 791	18 150 000	671 152	4 128
Uster	Gschwaderstrasse 13	Wholly owned	2 956 036	3 978 000	158 688	0
Uster	Winterthurerstrasse 32	Wholly owned	2 438 689	3 398 000	123 312	21 780
Vevey	Avenue de la Prairie 9 bis	Wholly owned	3 332 662	3 768 000	158 896	1 986
Vevey	Rte de St-Légier 10/10a	Wholly owned	5 406 630	6 346 000	303 405	5 840

Rental loss	Rental income (gross income received) 01/10/2020–30/09/2021	Apartments	Residential	Offices/ practices	Retail/ shops	Other rental space	Total rental space	Parking spaces
%	CHF	Number	m ²	m ²	m ²	m ²	m ²	Number
1.57%	212 857	22	1 164	0	0	0	1 164	0
0.00%	198 320	18	1 040	0	0	20	1 060	6
1.12%	338 798	18	1 167	0	369	0	1 536	2
2.59%	968 509	62	4 340	0	0	0	4 340	70
3.75%	283 849	27	1 646	0	0	0	1 646	40
0.26%	242 805	14	1 250	0	0	0	1 250	16
15.00%	202 712	18	1 395	0	0	0	1 395	21
30.33%	150 529	12	996	0	0	0	996	14
10.49%	229 512	14	1 476	0	0	0	1 476	23
0.35%	720 090	52	4 218	0	0	0	4 218	86
0.11%	320 826	28	2 150	0	0	5	2 155	42
6.46%	481 517	16	1 756	0	0	0	1 756	40
–2.53%	232 464	18	1 288	0	0	0	1 288	11
2.76%	1 490 255	98	6 451	212	52	247	6 962	62
2.08%	181 964	20	1 258	0	0	0	1 258	13
0.33%	606 354	51	3 228	0	0	0	3 228	49
2.41%	281 774	18	1 269	72.92	0	0	1 341	16
4.27%	287 218	28	1 710	0	0	0	1 710	27
1.01%	425 185	20	2 250	0	0	0	2 250	25
0.39%	419 261	36	2 074	0	0	0	2 074	21
1.21%	199 291	18	1 173	0	0	0	1 173	5
0.00%	260 634	25	1 743	0	0	0	1 743	15
1.68%	456 404	37	2 950	0	0	10	2 960	49
2.32%	279 455	21	1 628	0	0	36	1 664	27
13.60%	564 340	39	2 893	39.97	0	174.79	3 108	42
7.53%	240 417	25	1 965	0	0	0	1 965	23
5.75%	1 619 735	82	7 039	0	0	321	7 360	83
3.60%	779 747	49	3 907	0	0	0	3 907	64
4.77%	1 040 282	44	3 923	326	0	642.7	4 892	77
2.42%	342 963	31	2 239	0	0	0	2 239	13
1.64%	658 914	73	4 680	0	0	0	4 680	47
2.26%	268 703	16	1 393	0	0	332	1 725	10
1.68%	1 141 576	72	6 259	0	0	0	6 259	73
3.70%	317 816	23	1 484	0	183	2	1 669	4
1.33%	221 253	15	997	0	0	0	997	11
2.15%	551 458	68	4 310	0	0	0	4 310	61
0.61%	667 025	50	3 220	0	0	0	3 220	27
0.00%	158 688	12	700	0	0	0	700	7
17.66%	101 532	11	648	0	0	0	648	3
1.25%	156 910	15	985	0	0	0	985	0
1.92%	297 565	20	1 471	0	0	0	1 471	20

Place	Address	Type of ownership	Purchase price CHF	Market value CHF	Target rental income ¹ CHF	Rental loss CHF
Viganello	Via Luigi Taddei 9/11	Wholly owned	11 053 323	12 580 000	526 132	18 270
Wetzikon ZH	Guldislooweg 15/17	Wholly owned	5 799 598	6 207 000	226 878	7 447
Yverdon-les-Bains	Rue St-Georges 16	Wholly owned	7 885 679	8 118 000	354 463	6 688
Zollikon	Im Walder 27/29/31/33	Wholly owned	22 064 646	24 660 000	843 863	1 690
Zuchwil	Dreispietz 1/3/5/7	Wholly owned	14 036 462	14 050 000	583 029	24 318
Zurich	Badenerstrasse 361	Wholly owned	8 155 394	8 486 000	170 848	395
Zurich	Badenerstrasse 367	Wholly owned	8 609 369	8 910 000	179 654	1 483
Zurich	Breitingerstrasse 16	Wholly owned	7 838 621	7 878 000	132 906	500
Zurich	Caspar Wüst-Strasse 44/46	Wholly owned	5 515 852	8 861 000	282 261	3 455
Zurich	Gladbachstrasse 59	Wholly owned	8 068 800	8 885 000	224 704	700
Zurich	Gladbachstrasse 71	Wholly owned	7 601 547	8 049 000	163 622	0
Zurich	Kilchbergstrasse 170/174/178	Wholly owned	14 551 011	14 900 000	320 295	0
Zurich	Pflanzschulstrasse 51	Wholly owned	8 496 055	11 040 000	314 274	4 961
Zurich	Röntgenstrasse 72	Wholly owned	5 378 918	5 808 000	167 668	1 745
Zurich	Seestrasse 47	Wholly owned	5 641 386	5 860 000	110 760	-9
Zurich	Triemlistrasse 153/155	Wholly owned	7 521 629	10 110 000	315 236	35 607
Total residential buildings			1 174 013 973	1 258 179 000	45 206 884	1 469 794

Properties used for commercial purposes

Aarau	Kasinostrasse 30/32, Igelweid	Wholly owned	39 899 154	41 480 000	2 096 952	10 334
Baden	Badstrasse 21	Wholly owned	13 860 539	13 460 000	617 473	1 560
Baden	Bahnhofplatz 7	Wholly owned	8 567 611	8 580 000	321 438	9 346
Basel	Freie Strasse 84	Wholly owned	28 594 311	23 130 000	1 298 599	5 610
Basel	Theaterstrasse 10	Wholly owned	5 048 116	5 287 000	216 480	0
Bern	Marktgasse 22	Wholly owned	42 957 065	42 350 000	1 612 275	9 969
Buchs SG	Bahnhofstrasse 45-51	Wholly owned	37 960 989	31 220 000	1 616 186	293 289
Geneva	Rue du Marché 7	Wholly owned	18 098 322	19 300 000	636 691	14 373
Neuchâtel	Rue de la Promenade Noire 1	Wholly owned	7 987 352	8 200 000	416 052	42 460
Neuchâtel	Rue Saint-Honoré 7/9	Wholly owned	16 851 595	15 950 000	642 840	5 691
Sion	Avenue de France 12	Wholly owned	13 508 141	12 900 000	600 000	0
Winterthur	Obergasse 32	Wholly owned	4 555 634	5 305 000	246 478	0
		Building wholly owned, property with building rights				
Worblaufen	Lindenhofstrasse 1		30 855 864	26 550 000	1 910 164	342 613
Zollikon	Oberdorfstrasse 37	Wholly owned	3 066 848	3 136 000	111 949	0
Zurich	Fröhlichstrasse 54	Wholly owned	2 136 706	2 133 000	74 247	0
Zurich	Gartenstrasse 23	Wholly owned	11 150 729	14 770 000	494 361	8 047
Zurich	Lavaterstrasse 45	Wholly owned	10 672 933	10 810 000	250 804	383
Zurich	Lavaterstrasse 76	Wholly owned	6 405 355	7 881 000	379 819	0
Zurich	Limmattalstr. 186/198/200/200a/ 202/204, Regensdorferstr. 3a/5/9, Dorfbachweg 1/1a/5/7, Schärrengasse 2	Wholly owned	61 678 786	60 990 000	2 319 564	80 663

Rental loss %	Rental income (gross income received) 01/10/2020–30/09/2021 CHF	Apartments Number	Residential m ²	Offices/ practices m ²	Retail/ shops m ²	Other rental space m ²	Total rental space m ²	Parking spaces Number
3.47%	505 922	28	2 768	0	0	0	2 768	27
3.28%	219 432	18	1 207	0	0	0	1 207	8
1.89%	347 776	24	1 643	0	0	0	1 643	0
0.20%	842 173	20	2 306	0	0	0	2 306	40
4.17%	558 711	60	3 832	0	0	0	3 832	53
0.23%	170 454	18	922	0	0	0	922	0
0.83%	178 172	18	908	0	0	0	908	9
0.38%	132 406	11	696	0	0	0	696	7
1.22%	278 806	19	1 056	0	0	0	1 056	4
0.31%	224 004	7	860	0	0	0	860	4
0.00%	163 622	7	884	0	0	0	884	2
0.00%	320 295	22	1 603	0	0	0	1 603	9
1.58%	309 313	12	601	0	0	0	601	4
1.04%	165 923	7	422	0	0	0	422	3
–0.01%	110 769	7	507	0	0	0	507	0
11.30%	279 629	25	1 424	109	0	35	1 568	20
3.25%	43 638 668	3 081	222 818	881	2 704	2 931	229 334	2 508
0.49%	2 032 394	10	1 131	3 023	2 531	992	7 677	63
0.25%	615 913	4	395	142	129	17	683	0
2.91%	308 344	3	347	207	240	270	1 064	0
0.43%	1 270 489	1	26	444	345	63	878	0
0.00%	201 047	1	235	189	232	128	783	0
0.62%	1 598 186	0	0	636	910	224	1 770	0
18.15%	1 319 167	20	2 378	115	2 677	442	5 612	66
2.26%	622 318	0	0	742	188	35	965	0
10.21%	373 592	3	439	1 281	0	96	1 816	8
0.89%	603 149	17	793	211	806	100	1 910	0
0.00%	500 000	0	0	203	2 244	754	3 201	66
0.00%	242 802	0	0	497	159	284	940	0
17.94%	889 018	0	0	7 128	0	157	7 285	100
0.00%	111 949	0	0	272	124	47	443	6
0.00%	74 247	0	0	0	0	420	420	8
1.63%	475 445	4	311	833	0	95	1 239	1
0.15%	250 422	2	118	454	0	64	636	8
0.00%	379 819	0	0	662	0	45	707	12
3.48%	2 217 612	33	2 395	1 008	3 679	579	7 661	118

Place	Address	Type of ownership	Purchase price CHF	Market value CHF	Target rental income ¹ CHF	Rental loss CHF
Zurich	Lintheschergasse 13	Wholly owned	10 210 755	10 990 000	316 303	0
Zurich	Rennweg 11	Wholly owned	21 582 894	20 730 000	665 607	5 113
Zurich	Sankt Annagasse 9	Wholly owned	48 153 497	53 960 000	1 636 021	49 258
Zurich	Wiesenstrasse 8/10	Wholly owned	52 967 894	58 520 000	2 100 466	125 289
Total commercially used properties			496 771 088	497 632 000	20 580 769	1 003 998
Mixed-use properties						
Horgen	Zugerstrasse 84	Wholly owned	6 239 292	7 838 000	303 160	1 650
Lausanne	Rue du Lac 12	Wholly owned	6 732 413	8 593 000	366 513	0
Lausanne	Rue du Lac 14	Wholly owned	2 924 449	3 115 000	154 065	-4 392
Geneva	Place Claparède 1	Wholly owned	13 927 793	14 430 000	361 725	14 140
Geneva	Rue Micheli-du-Crest 2	Wholly owned	15 657 223	16 310 000	349 358	8 356
Geneva	Place Edouard-Claparède 3	Wholly owned	15 513 957	16 110 000	478 491	5 211
St. Gallen	Linsebühlstrasse 12/14/16	Wholly owned	5 903 943	5 811 000	269 222	25 610
St. Gallen	Spisergasse 25/27	Wholly owned	6 369 379	5 470 000	180 035	22 993
Zurich	Gartenstrasse 6/Stockerstrasse 54	Wholly owned	37 720 213	37 930 000	831 151	35 022
Zurich	Kirchgasse 21	Wholly owned	7 157 661	7 389 000	140 096	0
Zurich	Römerhofplatz 5	Wholly owned	38 293 842	40 000 000	1 229 286	230
Zurich	Schlossgasse 14	Wholly owned	7 891 080	8 317 000	183 076	0
Zurich	Seestrasse 341/345	Wholly owned	23 165 808	31 980 000	1 005 304	16 259
Zurich	Zähringerstrasse 24	Wholly owned	9 902 691	9 990 000	241 203	0
Total mixed-use properties			197 399 745	213 283 000	6 092 683	125 079
Under construction						
Brunnen	Hertipark (Industriestrasse)	Wholly owned	31 412 539	30 200 000	0	0
Total under construction			31 412 539	30 200 000	0	0

Rental loss %	Rental income (gross income received) 01/10/2020–30/09/2021 CHF	Apartments Number	Residential m ²	Offices/ practices m ²	Retail/ shops m ²	Other rental space m ²	Total rental space m ²	Parking spaces Number
0.00 %	306 081	0	0	381	84	66	531	1
0.77 %	660 494	3	244	0	249	137	630	0
3.01 %	1 561 157	0	0	2 205	180	170	2 555	21
5.96 %	1 975 177	15	999	4 111	0	801	5 911	75
4.88 %	18 588 820	116	9 812	24 743	14 777	5 986	55 318	553
0.54 %	301 510	9	970	0	0	335	1 305	23
0.00 %	366 513	8	720	530	0	0	1 250	3
–2.85 %	158 457	5	226	0	171	0	397	0
3.91 %	336 676	14	1 831	283	110	167	2 392	0
2.39 %	336 375	18	1 904	0	317	46	2 267	0
1.09 %	473 280	15	1 615	438	0	67	2 120	3
9.51 %	243 613	20	1 084	176	111	0	1 371	2
12.77 %	152 692	10	629	0	108	359.8	1 096	0
4.21 %	782 388	17	977	1 072	0	117	2 165	2
0.00 %	140 096	4	420	110	0	161	691	0
0.02 %	1 216 919	9	1 234	916	409	270	2 830	5
0.00 %	181 228	10	555	0	175	74	804	2
1.62 %	986 290	30	2 330	136	479	914	3 859	69
0.00 %	225 943	5	364	230	89	84	767	0
2.05 %	5 901 977	174	14 859	3 892	1 968	2 595	23 313	109
0.00 %	0	40	3 198	1 517	1 762	27	6 503	105
0.00 %	0	40	3 198	1 517	1 762	27	6 503	105

Summary

	Purchase price CHF	Market value CHF	Target rental income ¹ CHF	Rental loss CHF
Residential buildings	1 174 013 973	1 258 179 000	45 206 884	1 469 794
Thereof in condominiums	0	0	0	0
Thereof with development rights	0	0	0	0
Commercially used properties	496 771 088	497 632 000	20 580 769	1 003 998
Thereof in condominiums	0	0	0	0
Thereof with development rights	30 855 864	26 550 000	1 910 164	342 613
Mixed-use properties	197 399 745	213 283 000	6 092 683	125 079
Thereof in condominiums	0	0	0	0
Thereof with development rights	0	0	0	0
Under construction	31 412 539	30 200 000	0	0
Thereof in condominiums	0	0	0	0
Thereof with development rights	0	0	0	0
Total properties	1 899 597 345	1 999 294 000	71 880 336	2 598 871
Cash on hand, post office and bank sight deposits, including fiduciary deposits with third-party banks		2 966 939	71 880 336	
Other assets		11 331 749		
Total fund assets		2 013 592 687.52		

¹ A total rent-free period of CHF 1 151 999 was granted on the target rental income.

The target rental incomes for the properties in Basel, Bruderholzstrasse, and Bulle, Chemin Xavier-de-Poret, which were sold, amounted to CHF 622 533, with rental losses amounting to CHF 17 495.

Rounding differences can occur in the figures.

Rental loss %	Rental income (gross income received) 01/10/2020–30/09/2021 CHF	Market value of GAV %
3.25 %	43 638 668	62.48 %
0	0	0
0	0	0
4.88 %	18 588 820	24.71 %
0	0	0
17.94 %	889 018	1.32 %
2.05 %	5 901 977	10.59 %
0	0	0
0	0	0
0	0	1.50 %
0	0	0
0	0	0
3.62 %	68 129 465	99.29 %
		0.15 %
		0.56 %
		100.00 %

Valuation category

All properties are valued with the DCF method as of the balance sheet date and correspond to the category “Investments that due to parameters not observable on the market are valued with suitable valuation models taking account of the current market circumstances” as per Art. 84 para. 2 let. c CISO-FINMA.

Details of business activity and external financing

Purchases and sales of properties during the reporting period¹

Place	Address	Type of property	Date
Purchases from Asset Transfers			
Affoltern am Albis	Pfruendhofstrasse 44-62	Residential building	17/12/2020
Baden	Bahnhofplatz 7	Office building with apartments	17/12/2020
Basel	Rosentalstrasse 29	Residential building	17/12/2020
Basel	Vogesenstrasse 31/31a/33	Residential building	17/12/2020
Basel	Zähringerstrasse 18	Residential building	17/12/2020
Bellinzona	Via Generale Arcioni 5/5a	Residential building	17/12/2020
Binningen	Hauptstrasse 115/117/119/121/123	Residential building	17/12/2020
Clarens	Avenue des Brayères 1a/1b/1c	Residential building	17/12/2020
Emmenbrücke	Listrigstrasse 12/14	Residential building	17/12/2020
Fribourg	Avenue du Midi 1	Residential and commercial use	17/12/2020
Geneva	Chemin Surinam 4	Residential building	17/12/2020
Geneva	Place Edouard-Claparède 1	Residential and commercial use	17/12/2020
Geneva	Place Edouard-Claparède 3	Residential and commercial use	17/12/2020
Geneva	Rue Micheli-du-Crest 2	Residential and commercial use	17/12/2020
Geneva	Rue Prévost Martin 33	Residential building	17/12/2020
Gossau ZH	Im Grünenhof 19/21/23/25	Residential building	17/12/2020
Lausanne	Avenue de Collonges 9	Residential building	17/12/2020
Lausanne	Avenue de l'Avant-Poste 1	Residential building	17/12/2020
Lausanne	Chemin des Mouettes 8/10	Residential building	17/12/2020
Lausanne	Route de Berne 16/18	Residential building	17/12/2020
Liestal	Erlenstrasse 1/5	Residential building	17/12/2020
Massagno	Via Tesserete 33	Residential building	17/12/2020
Mellingen	Im Geerig 67/69/75/77	Residential building	17/12/2020
Mont-sur-Rolle	Chemin du Levant 7/9/11	Residential building	17/12/2020
Oftringen	Irisweg 9/11	Residential building	17/12/2020
Pratteln	St. Jakobstrasse 29	Residential building	17/12/2020
Pully	Chemin de la Fontanettaz 4/6/8	Residential building	17/12/2020
Pully	Chemin de Somais 38/40/42	Residential building	17/12/2020
Rapperswil-Jona	Schulstrasse 9	Residential building	17/12/2020
Richerswil	Im Langacher 8/10	Residential building	17/12/2020
Schaffhausen	Julierstrasse 3/5/7/9	Residential building	17/12/2020
St. Gallen	Ahornstrasse 27-37	Residential building	17/12/2020
Thun	Dohlenweg 2-16	Residential building	17/12/2020
Zollikon	Oberdorfstrasse 37	Office building	17/12/2020
Zuchwil	Dreispietz 1-7	Residential building	17/12/2020
Zurich	Badenerstrasse 361	Residential building	17/12/2020
Zurich	Badenerstrasse 367	Residential building	17/12/2020
Zurich	Breitingenstrasse 16	Residential building	17/12/2020
Zurich	Fröhlichstrasse 54	Office building	17/12/2020

Place	Address	Type of property	Date
Zurich	Gartenstrasse 6	Office building with apartments	17/12/2020
Zurich	Gladbachstrasse 71	Residential building	17/12/2020
Zurich	Kilchbergstrasse 170/174/178	Residential building	17/12/2020
Zurich	Kirchgasse 21	Residential and commercial use	17/12/2020
Zurich	Schlossgasse 14	Residential and commercial use	17/12/2020
Zurich	Seestrasse 47	Residential building	17/12/2020
Zurich	Zähringerstrasse 24	Residential and commercial use	17/12/2020

Additional Purchases

Zurich	Limmattalstr. 186/198/200/200a/202/204, Regensdorferstr. 3a/5/9, Dorfbachweg 1/1a/5/7, Schärregasse 2	Office building with apartments	01/10/2020
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Sales

Bulle	Chemin Xavier-de-Poret 19/21	Residential building	30/06/2021
Basel	Bruderholzstrasse 74	Residential and commercial use	01/09/2021

¹ Real estate values are shown in the inventory of the properties.

Mortgages, fixed advances, loans and credits

Type of credit CHF	Timeframe from until	Interest rate %	30/09/2020 CHF	Borrowing CHF	Repayment CHF	30/09/2021 CHF
Short-term liabilities						
<i>Due date within 12 months</i>						
Fixed advance	07/07/20 – 07/10/20	0.13 %		27 720 000.00	27 720 000.00	0.00
Fixed advance	02/10/20 – 31/10/20	0.03 %		10 000 000.00	10 000 000.00	0.00
Fixed advance 9 mths	01/02/20 – 31/10/20	0.00 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	02/10/20 – 01/11/20	0.03 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	02/11/20 – 30/11/20	0.01 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	01/11/20 – 30/11/20	0.01 %		20 000 000.00	20 000 000.00	0.00
Fixed advance	02/10/20 – 01/12/20	0.06 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	08/04/20 – 08/12/20	0.20 %		10 250 000.00	10 250 000.00	0.00
Rollover mortgage	10/12/18 – 09/12/20	0.45 %	10 000 000.00		10 000 000.00	0.00
Fixed-rate mortgage	10/12/18 – 09/12/20	0.50 %	5 000 000.00		5 000 000.00	0.00
Fixed-rate mortgage 2 mths	11/12/18 – 31/12/20	0.61 %	7 000 000.00		7 000 000.00	0.00
Fixed-rate mortgage 2 mths	11/12/18 – 31/12/20	0.45 %	1 500 000.00		1 500 000.00	0.00
Fixed advance	07/10/20 – 07/01/21	0.04 %		27 720 000.00	27 720 000.00	0.00
Fixed advance	13/07/20 – 13/01/21	0.12 %		7 000 000.00	7 000 000.00	0.00
Fixed-rate mortgage	14/01/19 – 13/01/21	0.50 %	2 000 000.00		2 000 000.00	0.00
Fixed advance	01/01/21 – 31/01/21	0.00 %		8 500 000.00	8 500 000.00	0.00
Fixed advance	19/12/20 – 31/01/21	0.00 %		1 587 000.00	1 587 000.00	0.00
Fixed advance	01/12/20 – 31/01/21	0.02 %		30 000 000.00	30 000 000.00	0.00
Fixed advance	02/12/20 – 31/01/21	0.02 %		10 000 000.00	10 000 000.00	0.00
Fixed advance 12 mths	01/02/20 – 31/01/21	0.00 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	07/01/21 – 05/02/21	0.01 %		27 720 000.00	27 720 000.00	0.00
Fixed advance	07/07/20 – 11/02/21	0.10 %		2 100 000.00	2 100 000.00	0.00
Loan	23/12/20 – 22/02/21	0.25 %		3 000 000.00	3 000 000.00	0.00
Fixed advance	08/12/20 – 08/03/21	0.08 %		10 250 000.00	10 250 000.00	0.00
Fixed advance	18/12/20 – 17/03/21	0.12 %		4 750 000.00	4 750 000.00	0.00
Fixed advance	18/12/20 – 18/03/21	0.10 %		1 000 000.00	1 000 000.00	0.00
Fixed advance	01/02/21 – 31/03/21	0.10 %		60 087 000.00	60 087 000.00	0.00
Fixed advance	09/03/21 – 31/03/21	0.00 %		15 250 000.00	15 250 000.00	0.00
Fixed advance	02/10/20 – 01/04/21	0.15 %		10 000 000.00	10 000 000.00	0.00
Fixed advance	05/02/21 – 05/04/21	0.02 %		27 720 000.00	27 720 000.00	0.00
Fixed advance	02/04/21 – 30/04/21	0.00 %		10 000 000.00	10 000 000.00	0.00
Fixed-rate mortgage 5 yrs	03/05/16 – 30/04/21	0.58 %	3 000 000.00		3 000 000.00	0.00
Fixed-rate mortgage	02/05/16 – 03/05/21	0.55 %	4 800 000.00		4 800 000.00	0.00
Fixed advance	05/04/21 – 05/05/21	0.02 %		27 720 000.00	27 720 000.00	0.00
Fixed advance	17/12/20 – 17/05/21	0.12 %		16 000 000.00	16 000 000.00	0.00
Fixed advance	03/05/21 – 25/05/21	0.12 %		4 800 000.00	4 800 000.00	0.00
Fixed advance	04/01/21 – 25/05/21	0.12 %		23 500 000.00	23 500 000.00	0.00
Fixed advance	13/01/21 – 17/06/21	0.10 %		2 000 000.00	2 000 000.00	0.00

Type of credit	Timeframe	Interest rate	30/09/2020	Borrowing	Repayment	30/09/2021
CHF	from until	%	CHF	CHF	CHF	CHF
Fixed advance	18/03/21 – 21/06/21	0.10%		1 000 000.00	1 000 000.00	0.00
Fixed advance	01/04/21 – 30/06/21	0.00%		75 337 000.00	75 337 000.00	0.00
Fixed advance	01/05/21 – 30/06/21	0.01%		13 000 000.00	13 000 000.00	0.00
Fixed advance	09/12/20 – 12/07/21	0.10%		15 000 000.00	15 000 000.00	0.00
Fixed advance	25/05/21 – 25/08/21	–0.10%		27 000 000.00	27 000 000.00	0.00
Fixed advance	10/07/20 – 26/08/21	0.12%		22 000 000.00	22 000 000.00	0.00
Fixed advance	13/01/21 – 26/08/21	0.08%		7 000 000.00	7 000 000.00	0.00
Fixed advance	17/03/21 – 26/08/21	0.08%		8 500 000.00	8 500 000.00	0.00
Fixed advance	29/07/20 – 26/08/21	0.12%		7 400 000.00	7 400 000.00	0.00
Fixed advance	02/09/20 – 02/09/21	0.12%		5 000 000.00	5 000 000.00	0.00
Fixed advance	12/07/21 – 20/09/21	0.10%		10 000 000.00	10 000 000.00	0.00
Fixed advance	30/08/21 – 30/09/21	0.10%		1 600 000.00		1 600 000.00
Fixed advance	31/08/21 – 30/09/21	0.00%		88 337 000.00		88 337 000.00
Fixed advance	05/05/21 – 30/09/21	0.00%		27 720 000.00		27 720 000.00
Fixed advance	17/05/21 – 30/09/21	0.08%		9 000 000.00		9 000 000.00
Fixed advance	13/07/20 – 20/10/21	0.10%		9 000 000.00		9 000 000.00
Fixed advance	20/09/21 – 21/10/21	0.10%		10 000 000.00		10 000 000.00
Fixed advance	17/07/20 – 25/10/21	0.10%		6 500 000.00		6 500 000.00
Fixed advance	26/08/21 – 16/11/21	0.06%		7 000 000.00		7 000 000.00
Fixed advance	26/08/21 – 16/11/21	0.06%		8 500 000.00		8 500 000.00
Fixed advance	26/08/21 – 16/11/21	0.06%		7 400 000.00		7 400 000.00
Fixed advance	25/08/21 – 26/11/21	–0.10%		14 000 000.00		14 000 000.00
Fixed-rate mortgage	10/12/18 – 09/12/21	0.50%	5 000 000.00			5 000 000.00
Fixed-rate mortgage 3 yrs	11/12/18 – 31/12/21	0.61%	7 000 000.00			7 000 000.00
Fixed-rate mortgage 3 yrs	11/12/18 – 31/12/21	0.45%	1 500 000.00			1 500 000.00
Fixed-rate mortgage	14/01/19 – 13/01/22	0.50%	2 000 000.00			2 000 000.00
Fixed advance	25/08/21 – 25/02/22	–0.09%		13 000 000.00		13 000 000.00
Fixed-rate mortgage 6 yrs	03/05/16 – 30/04/22	0.68%	3 000 000.00			3 000 000.00
Fixed-rate mortgage	02/05/16 – 02/05/22	0.60%	4 000 000.00			4 000 000.00
Fixed advance	25/08/21 – 27/05/22	–0.06%		11 000 000.00		11 000 000.00
Fixed-rate mortgage	28/08/20 – 29/08/22	0.25%		11 498 000.00		11 498 000.00
Total short-term liabilities						247 055 000.00

Type of credit CHF	Timeframe from until	Interest rate %	30/09/2020 CHF	Borrowing CHF	Repayment CHF	30/09/2021 CHF
Long-term liabilities						
<i>Due date within one to five years</i>						
Fixed-rate mortgage 2 yrs	02/10/20 – 01/10/22	0.33 %		10 000 000.00		10 000 000.00
Fixed-rate mortgage	10/12/18 – 09/12/22	0.60 %	4 000 000.00			4 000 000.00
Fixed-rate mortgage	10/12/18 – 12/12/22	0.55 %	8 000 000.00			8 000 000.00
Fixed-rate mortgage 4 yrs	11/12/18 – 31/12/22	0.53 %	1 853 000.00			1 853 000.00
Fixed-rate mortgage	15/05/13 – 15/05/23 ¹	2.25 %	12 500 000.00			12 500 000.00
Fixed-rate mortgage	14/08/13 – 15/05/23 ¹	2.25 %	690 000.00			690 000.00
Fixed-rate mortgage	07/03/14 – 15/05/23 ^{1/4}	1.95 %	2 230 000.00		40 000.00	2 190 000.00
Fixed-rate mortgage	31/08/19 – 15/05/23	0.47 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage 3 yrs	02/10/20 – 01/10/23	0.34 %		10 000 000.00		10 000 000.00
Fixed-rate mortgage	21/11/18 – 21/11/23	0.69 %	4 000 000.00			4 000 000.00
Fixed-rate mortgage	10/12/18 – 09/12/23	0.60 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage	10/12/18 – 11/12/23	0.55 %	6 000 000.00			6 000 000.00
Fixed-rate mortgage	02/05/16 – 02/05/24	0.70 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage	02/05/16 – 02/05/24	0.70 %	3 700 000.00			3 700 000.00
Fixed-rate mortgage	31/08/20 – 31/08/24	0.36 %		13 950 000.00		13 950 000.00
Fixed-rate mortgage 4 yrs	02/10/20 – 01/10/24	0.35 %		6 000 000.00		6 000 000.00
Fixed-rate mortgage	10/12/18 – 09/12/24	0.65 %	5 000 000.00			5 000 000.00
Fixed-rate mortgage	10/12/18 – 10/12/24	0.60 %	8 000 000.00			8 000 000.00
Fixed-rate mortgage	31/12/14 – 31/12/24 ¹	1.30 %	840 000.00			840 000.00
Fixed-rate mortgage	02/05/16 – 02/05/25	0.80 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage	02/05/16 – 02/05/25	0.80 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage	02/05/16 – 02/05/25	0.80 %	2 000 000.00			2 000 000.00
Fixed-rate mortgage	14/07/15 – 14/07/25 ²	1.75 %	1 550 000.00			1 550 000.00
Fixed-rate mortgage	31/08/20 – 31/08/25	0.40 %		13 950 000.00		13 950 000.00
Fixed-rate mortgage	10/12/18 – 10/12/25	0.73 %	7 000 000.00			7 000 000.00
Fixed-rate mortgage	31/08/20 – 31/08/26	0.45 %		13 950 000.00		13 950 000.00
Subtotal						145 173 000.00

Type of credit CHF	Timeframe from until	Interest rate %	30/09/2020 CHF	Borrowing CHF	Repayment CHF	30/09/2021 CHF
<i>Due date within one to five years</i>						
Fixed-rate mortgage	10/12/18 – 10/12/26	0.89 %	6 000 000.00			6 000 000.00
Fixed-rate mortgage	31/08/20 – 31/08/27	0.53 %		18 800 000.00		18 800 000.00
Fixed-rate mortgage	01/03/19 ³ – 31/12/27	1.86 %	19 400 000.00			19 400 000.00
Subtotal						44 200 000.00
Total long-term liabilities						189 373 000.00
Mortgages, fixed advances, loans and credits						436 428 000.00

The interest rates on fixed-rate mortgages and fixed advances were fixed for the entire term.

¹ The mortgages were taken over with the acquisition of the properties on 15 May 2016.

² The mortgages were taken over with the acquisition of the properties on 1 July 2016.

³ The mortgages were taken over with the acquisition of the properties on 1 March 2019.

⁴ Quarterly repayment of CHF 10 000.

Rental income per tenant greater than 5 %

None.

Transactions with closely related persons

Swiss Life Ltd transferred a real estate portfolio comprising 46 properties for the Swiss Life (REF) CH Swiss Properties real estate fund to Swiss Life Asset Management Ltd by way of a transfer of assets in accordance with Art. 69 et seq. MergA on 17 December 2020. The property transfer was effected by means of a cash payment and not as a contribution in kind against fund units. The two companies are closely related legal entities within the meaning of Art. 63 CISA. The real estate assets that formed the object of this

transaction are listed on page 36 under the heading “Purchases from asset transfer”.

FINMA based its decision on Art. 63, cl. 2 and 4 CISA in conjunction with Art. 32a CISO, and thus approved an exception regarding the acquisition of real estate assets from closely related natural persons and legal entities for the purchase of a real estate portfolio from Swiss Life Ltd, Zurich

Transactions between collective investment schemes

None.

Real estate companies of the fund

None.

Significant events after the balance sheet date

A capital increase is planned for Swiss Life REF (CH) Swiss Properties in mid-December 2021. The aim of this capital increase is to acquire a high-quality real estate portfolio from

Swiss Life Ltd worth around CHF 340 million and further diversify the existing portfolio.

Geneva,
Place Edouard-Claparède 1





Valuation report

Assignment and Outcome

Pursuant to the Swiss Collective Investments Schemes Act (CISA), the fair market values of real estate owned by Swiss property funds must be determined by independent appraisers for financial accounting purposes. According to your commission, we appraised the properties owned by the Swiss Life REF (CH) Swiss Properties investment fund as of 30th September 2021. The portfolio included 136 properties as of the reporting date, with one property having been acquired, 46 properties having been transferred from Swiss Life AG and 2 properties having been sold during the period under review (starting 1st October 2020). The overview below shows the corresponding results:

As at 30th September 2021, the market value for the portfolio with 136 properties (including new additions) is estimated at CHF 1 999 294 000 (CHF 1 375 629 000 as at 30th September 2020).

Of the 89 properties that have been in the portfolio during the entire reporting period, 8 properties were devalued and 81 properties increased in value. In total, an appreciation in value of +3.7% has taken place (+ CHF 50 823 000 compared with 30th September 2020).

The records that were relevant for the valuations were prepared by the fund management and the competent administrative companies. The valuations are based on the appraisal and analysis of these records, on the one hand, and

Collective Investment Schemes Ordinance (CISO 86)	No. of properties	Fair Value as of 30/09/2021 CHF	Target Income as of 30/09/2021 CHF	Target Income as of %
Residential buildings	98	1 258 179 000	48 742 965	3.87 %
Commercial-use properties	23	497 632 000	21 012 827	4.22 %
Mixed-used buildings	14	213 283 000	6 845 318	3.21 %
Building land ¹	1	30 200 000	0	–
Investment properties total	136	1 999 294 000	76 601 111	3.83 %

¹ including properties for demolition and buildings under construction

on periodic tours of the premises as well as assessments of the general and specific market situation of each property, on the other hand.

Valuation Method and Valuation Standard

All of the properties were uniformly appraised using the discounted cash flow method (DCF).

A detailed analysis and assessment of each income and cost item was also undertaken within the framework of the valuation. The valuers based their appraisals on accounting figures of recent years for each property, the current tenancy situation, and comprehensive market intelligence. These served as a basis for estimating the future cash flows to be expected, and for establishing the discount rate. Underlying the valuations is the assumption that the current occupancy of the properties will continue, which means inversely that the assessments ignore the possibility of material changes such as conversion to another type of use, the addition of new floors, or densification of the property. The market value quoted for each property is to be understood as “fair value”, i. e. the selling price likely to be achieved under normal circumstances in the current market environment without the potential transaction costs.

Wüest Partner affirms that the valuations comply with the legal provisions of the CISA and CISO as well as the guidelines of the Asset Management Association Switzerland (AMAS), and that they meet common industry valuation standards.

Independence and Confidentiality

We confirm that we have valued the properties of Swiss Life REF (CH) Swiss Properties in line with our business policies, free of influence from third parties, and solely bound by the commission stated above.

Wüest Partner AG
Zurich, 15 October 2021



Pascal Marazzi-de Lima
MRICS, Dipl. Arch. ETH,
Partner



Fabio Guerra
MRICS, Dipl. Arch. ETH,
CUREM, Partner

Further Details Elaborating the DCF Valuation

Value growth

Trends in the value of real estate are determined by various fundamental parameters. A distinction has to be made between property-specific factors (property management) and exogenous factors related to the real estate and finance market environments:

- Changes in the property management situation on both the income and the cost side directly trigger an adjustment in the reported market value. Key determinants here are new and expiring leases, changes in the vacancy situation, as well as movements in running and maintenance costs.
- Since they represent cash outflows, extraordinary investments made during the year under review have a direct impact on property values. On the other hand, where investments create added value and can be passed on to tenants, they result in higher rental income.
- Developments in the relevant local real estate market have an impact on the calculation of potential rental values.
- Changes in the capital or transaction markets have an influence on discount rates.

Property aging is another key factor. All other factors remaining constant, aging alone would cause a decrease of approx. 1% in the value of the building in the space of one year

Rental income

Valuations are based on effective rental income as reported in the rent roll as at the valuation date. The agreed lease terms are taken into consideration when factoring rental income into the valuations.

In the case of fixed-term leases, after expiry of the agreed rental period, the potential long-term rental income seen as attainable from the current perspective is taken. Fair market potential rental values are based on recent lease signings either for the property concerned or known comparable properties in the immediate vicinity as well as on comprehensive real estate market research carried out by Wüest Partner.

The plausibility of potential rental values for retail outlets is verified using calculations based on realistic turnover figures.

The potential rental value of existing leases for mixed-use properties is determined on the basis of the individual facility types taken separately.

Genuine options to renew enjoyed by tenants will be factored in if the actual rent is below the ascertained market rent. Non-genuine options with a proviso that rents be adjusted in line with the then prevailing market rent will be assessed as fixed-term leases as outlined above.

With leases of unlimited duration (common for residential use), rental legislation and property-specific tenant turnover are taken into consideration when adjusting in line with the potential market values ascertained.

Vacant rental properties are taken into account in the valuation with a reasonable marketing period. For all facility types the underlying vacancy rates are estimated according to location and market conditions.

Running and maintenance costs

The running and maintenance costs factored into the valuations are based primarily on empirical values from the property accounts for prior years as well as on the budgets approved by the fund management company's decision-making bodies. These figures are plausibility-tested using existing contractual agreements relating to property management activities and compared with benchmarks from Wüest Partner's database pool. Anticipated future running and on-going maintenance costs are modelled on the basis of these analyses.

Repair costs

Short, medium and long-term repair costs are a major factor in DCF valuations. The valuations essentially reflect the investment plans made available by the fund management company's decision-making bodies. The figures are plausibility-tested using specific cost benchmarks.

In order to determine the long-term repair costs, Wüest Partner relies on a building costs tool to calculate the long-term investments needed to preserve the value of the properties, factoring in the age of selected characteristic building components and their production costs as well as the current structural condition.

Significant value-enhancing investments such as potentially higher-value conversions of rental units, the exploitation of existing development reserves, and actual project developments are generally not factored in.

¹ The effective age-related depreciation depends in particular on the construction type, age and location of the specific property.

Discounting

The applied discount rate reflects the risk estimate of the respective property or the cash-flow plan of the property. When determining this value, Wüest Partner takes property-specific characteristics as well as location and market based influences into account.

The determination of the market-conform, risk-adjusted discount rates is based on a risk-premium model, which is constantly adjusted to current market conditions using observed arm's-length transactions. In principle, the model adds the sum of the risk-free interest rate and the immobility-premium (illiquidity of the good, basic market-risk) premiums for specific property risks (e.g. location, usage, letting situation, condition, reservations of ownership).

Adjustment for inflation

Inflation is implicitly built into valuations via movements in cash flow. When calculating rental income, the contractually agreed inflation adjustment or indexation rate (e.g. 80 % adjustment for changes in the consumer price index) is applied at the level of the individual tenancies. Full inflation is generally calculated into running and maintenance costs.

The discount rate selected is expressed in real terms.

Long-term inflation is assumed to be 0.5 %.

Information about matters of special economic or legal importance

COVID-19: consequences and risks

As in the previous year, the 2020/2021 financial year was affected by the COVID-19 pandemic. The measures imposed by the authorities put an economic burden on Switzerland. A lockdown was imposed for catering, leisure and fitness enterprises on 22 December 2020. This lasted until 19 April 2021 for outdoor areas and 31 May 2021 for indoor areas. Shops selling non-everyday goods were closed on 18 January 2021 and allowed to reopen again from 1 March 2021. The ongoing COVID-19 vaccination campaign, which particularly gained momentum in May and June 2021, further improved the situation, and also helped business tenants and their operations.

The impact on business tenants varied greatly depending on their operations, use and location. There were also different state support programmes according to municipality and canton. As a result, only some of the business tenants in the fund were economically affected to such an extent that tenant support measures were advisable or necessary.

The COVID-19 pandemic is not yet over as at the reporting date and its end cannot yet be precisely predicted. However, uncertainty about the economic consequences of the pandemic and its impact on business tenants and corresponding rental income decreased significantly during the financial year. Specifically, there were hardly any requests for rent deferrals or reductions towards the end of the financial year. In addition, many COVID-19 requests still pending during the financial year were resolved and closed towards the end of the financial year.

Tenants/counterparty risks

There is only a comparatively low concentration of tenants in relation to the total rental income. The ten largest tenants account for around 11.9% of the fund's total rental income.

The retail space has the standard market counterparty risks, which are to be classified as high in the clothing and shoe segment and for catering and fitness establishments due to the impact of COVID-19. Around 6% of total rentals received from the fund comes from shop tenants in the aforementioned segments.

Until the end of the reporting period, however, no business tenants had defaulted as a direct result of COVID-19. In one case, it was decided to release a business tenant early from the rental contract subject to payment of compensation in favour of the landlord. The retail space concerned at Rennweg 11 in Zurich was let to a new user without interruption.

A legal case relating to COVID-19, pending at the court of first instance at the end of the financial year, exists for a larger shop tenant at Marktgasse 22 in Bern. The tenant from the clothing sector reported a defect in the rental property as per Art. 259a CO due to the officially ordered closure of its business (two months in spring 2020) and had accordingly deposited in the region of CHF 740 000 in rent with the responsible arbitration body (corresponding to around half the tenant's annual rent). In the assessment of the external lawyer commissioned by Swiss Life Asset Management, the likelihood that the tenant will actually be able to claim the full amount deposited as a rent reduction is approaching zero. Instead, in August 2021 a Zurich rent tribunal ruled in favour of the landlord on a comparable issue and dismissed the request for a reduction in rent.

A shop tenant at Freie Strasse 84 in Basel had outstanding payments of around CHF 370 000 at the end of the financial year (around three quarters of this tenant's annual rent). The instruments under tenancy law to recover the debt have been implemented (including threat of termination due to default in payment, debt collection). Negotiations with the tenant are continuing alongside this for the time being. As with the above case, on the basis of current case law, it can be assumed that there is fundamentally no entitlement to a rent reduction. However, the tenant failing to make the named rent payments did not make a rent deposit. In contrast to the above case, a certain liquidity/counterparty risk therefore remains.

Measures

As in the previous year, Swiss Life Asset Management Ltd responded to the phase of the second nationwide lockdown with two measures:

Swiss Life Asset Management Ltd offered the counterparties affected by the official closures deferred rental payments on an individual basis.

The total rents deferred as of 30 September 2021 amounted to CHF 49 473 or 0.07% of the fund's total target rent for the financial year.

In addition, Swiss Life Asset Management Ltd granted rental waivers to very small enterprises and the self-employed, who were particularly affected by the official measures and encountered financial difficulties. In general, such waivers were only offered to tenants with a maximum net monthly

rent of CHF 5000. Total rental waivers granted under this scheme directly attributable to COVID-19 amounted to CHF 336 205 or 0.46 % of the target rent of the fund as a whole during the reporting period.

The aim of both measures was to balance the interests of tenants in managing the economic impact and challenges of the current situation with the interests of investors in avoiding vacancies and breaches of contract by tenants who are generally profitable with good prospects for the future. Overall, the impact of the rental waivers granted so far can be considered low relative to the entire yield on distribution.

Estimate of real estate market value

The properties of the fund were valued by the independent valuation expert Wüest Partner as at 30 September 2021 and the market values determined. Despite, or perhaps due to COVID-19, real estate values have increased significantly. The value gains were most pronounced among the many well-located residential properties, as the COVID-19 pandemic supported rather than weakened the rental apartment market on average.

Centrally located commercial properties with a good rental situation also retained their value during the financial year. Only commercial properties in average locations with a pronounced share of retail space or pure back office use posted occasional negative changes in value.

In the absence of commercial tenants defaulting, there is no increased risk of value change due to COVID-19 given the high proportion of residential use and the low tenant concentrations in the fund. Challenges exist in the medium term in the post-letting of retail space due to the rather average outstanding rental lease terms. However, the fund portfolio does not contain any retail space in peripheral locations. In the view of Swiss Life Asset Managers, the re-letting of retail space should not pose any difficulties.

Short form report of the audit company

to the Board of Directors of the fund management company Swiss Life Asset Management AG, Zurich

Short form report on the financial statements

As audit company for collective investment schemes, we have audited the accompanying financial statements of the investment fund Swiss Life REF (CH) Swiss Properties, which comprise the statement of net assets and the income statement, the statement on the appropriation of available earnings and the disclosure of the total costs as well as the supplemental disclosures in accordance with art. 89 para. 1 lit. b–h and art. 90 of the Swiss Collective Investment Schemes Act (CISA) (pages 4-7, 20-41 and 47-48 of the annual report) for the year ended 30 September 2021.

Responsibility of the fund management company's Board of Directors

The Board of Directors of the fund management company is responsible for the preparation of the financial statements in accordance with the requirements of the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors of the fund management company is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the audit company for collective investment schemes

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the financial statements for the year ended 30 September 2021 comply with the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 11 AOA) and that there are no circumstances incompatible with our independence.

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PricewaterhouseCoopers AG



Andreas Scheibli
Audit expert
Auditor in charge



Michael Zobrist
Audit expert

Zürich, 23 November 2021

*We enable people to lead
a self-determined life.*