



SFP Investment Foundation

**INVESTMENT GROUP
SFP AST SWISS
REAL ESTATE
PROSPECTUS**

This prospectus, along with the integrated investment guidelines, Articles of Association, Foundation Regulations, Organisational Regulations and the Fee and Cost Regulations, governs and explains the relationships between the investors and the SFP Investment Foundation. These documents form the basis for the subscription and redemption of claims against the investment foundation. This prospectus is product information under Art. 37 (2) of the Ordinance on Investment Foundations (ASV) of 10 and 22 June 2011.

In the event of any discrepancies, the law, the legal practice based on such law, the Articles of Association, regulations and any other special regulations take precedence over the prospectus. The investment guidelines integrated in the prospectus also take precedence over the remaining provisions of the prospectus in the event of discrepancies.

1 INFORMATION ON THE INVESTMENT FOUNDATION

The SFP Investment Foundation is a foundation subject to Swiss law under Art. 53g et seqq. of the Swiss Federal Law on Occupational Old-age, Survivor's and Disability Insurance (hereinafter "BVG") of 25 June 1982 and Art. 80 et seqq. of the Swiss Civil Code (ZGB) of 10 December 1907, and is subject to the supervision of the Supervisory Commission for Occupational Pensions (OAK BV) under Art. 64a (2) BVG.

The investment foundation's investor group is limited to the following institutions:

- a) tax-exempt pension institutions domiciled in Switzerland and other tax-exempt institutions subject to private or public law headquartered in Switzerland and set up for the purposes of occupational pensions; and
- b) legal entities that manage collective assets of the institutions cited under letter a) and which are subject to supervision by the Swiss Financial Market Supervisory Authority FINMA and solely invest funds for these institutions with the investment foundation.

The Management Board decides whether to admit new investors.

2 INFORMATION ON THE ASSETS

Foundation assets consist of endowment capital and invested capital.

Endowment capital consists of start-up capital of CHF 100,000 and other foundation assets that do not form invested capital.

Invested capital consists of equal, no-par-value and irrevocable claims of investors. The claims are not securities; they are recorded as accounting entries. It is not permitted to pledge claims or freely trade them. In justified individual cases, it is permissible to assign claims between investors, provided the managers have given their prior consent. The Management Board's decision is final. Any assignment of claims must be carried out exclusively through the SFP Investment Foundation.

The SFP Investment Foundation invests in liquid securities, mortgages and/or in property in accordance with the investment focus of the respective investment groups in compliance with the principles and guidelines for the capital investment of employee pension plans of the BVG and related implementing decrees, notably the ASV. The respective investment group is run autonomously in accounting terms and is financially independent of other investment groups.

3 TAX PROVISIONS RELEVANT FOR THE INVESTMENT FOUNDATION

As its income and assets are used solely for occupational retirement provision, the investment foundation is exempt from direct taxes of the Federation, cantons and municipalities under Art. 80 (2) BVG in conjunction with Art. 23 (1) letter d) of the Federal Act on the Harmonisation of Direct Tax of the Cantons and Municipalities (StHG) of 14 December 1990. It is not exempt from object tax, property tax and capital transfer tax, particularly property transfer tax and property sale tax (Art. 80 (3) and (4) BVG).

The SFP Investment Foundation's distribution of income is not subject to Federal withholding tax. Distributions are therefore made without the deduction of withholding tax.

The claims are not subject to stamp duties (issue levy and turnover levy).

4 SPECIAL RISKS

4.1 General principles

Investments are subject to the standard specific property risks that occur from the site dependency of land and buildings, environmental risks, valuation risks, interest rate movements, etc.

The price at which claims are redeemed depends, among other things, on how the investment group's property portfolio performs in future. If performance is unfavourable, the investors run the risk of losing some or all of the capital they have invested. The present investment group is expected to feature a low to medium risk.

Investors should be aware that an investment in the investment group is associated with risk. An investment in the investment group should only be made by experienced investors who, regardless of the information in this prospectus, are also able to weigh up the risks and opportunities of an investment in the investment group. No assurances can be given that the investment objective will be achieved.

Some of the risks are set out in more detail below.

4.2 Performance of real estate investments

The performance and marketability of real estate investments are subject to many factors that are beyond the control of the SFP Investment Foundation. Examples of these are market risk, unfavourable changes in economic framework conditions, unfavourable local market conditions, vacancy risk and risks associated with the acquisition, funding, ownership, operation and disposal of real estate.

4.3 Liquidity

The real estate acquired for the portfolio as well as the collective investments with the real estate owned by them are mostly illiquid investments that are exposed to operational, regulatory, financial and other risks. As a consequence, this may make it very difficult to give certain forecasts on future developments. Accordingly, the investment group and the collective investments it owns are subject to valuation risk. As a result, the investment group's net asset value on a specific date may vary significantly from its actual value. In addition, a real estate or collective investment may suffer a major or total loss, even if the investment manager appointed by the investment foundation checks, selects and constantly monitors the collective investments using a structured and proven due diligence process.

Longer termination periods for the redemption of claims are stipulated because of the illiquidity of real estate and collective investments. Redemptions may also be suspended.

4.4 External funding

Loans against collateral are possible under the investment guidelines. In ideal cases, external funding may improve the return for investors. However, there may be a higher risk of loss if property prices fall due to the leverage effect of this debt.

4.5 Insurance

Insurance risk may arise for investments in real estate, as the SFP Investment Foundation has no control over whether the properties of collective investments are insured against loss.

4.6 Site dependency

Location and performance are generally very important in the selection of properties. Various other factors also play a role, such as development, type of use, construction quality and tax, the attractiveness of the building and value of the property.

4.7 Construction planning

There may be time delays because of the requirements of authorities as well as problems with planning and implementation of the building project. There is a risk of cost overruns in planning and budgeting. The following elements may have a negative impact on a building project's income situation: defects, improper construction or building faults that can give rise to unexpected and above-average maintenance or remediation costs. There may also be a corresponding lack of income associated with problems in letting new or redeveloped properties.

4.8 Utilisation of real estate

The letting income from properties is subject to economic fluctuations and restrictions under tenancy law. The demand for letting space normally depends directly on the current economic situation and demographic changes. These factors have a direct impact on vacancy rates and on any loss of rental income from properties. Certain properties are also subject to a higher management risk and potential technical difficulties.

4.9 Environmental risk

Properties and projects are examined for environment-relevant risks upon acquisition or before building begins. For recognisable environment-relevant pressures or problems, either the expected costs are factored into the risk analysis and purchase price calculation and an indemnification is agreed with the vendor, or the sale is cancelled.

However, the possibility of unknown and inherited liabilities subsequently coming to light cannot generally be ruled out. This may result in substantial and unpredicted remediation costs with corresponding effects on the valuation of the investment group's assets.

4.10 Valuation risk

The valuation of real estate is dependent on many factors and is subject not least to a certain subjective assessment of these factors. The value of properties specified on the reporting date and verified by valuation experts and their agents may therefore differ from the price achieved from the sale of the property, as the selling price is based on supply and demand at the time of the sale.

4.11 Interest rate movements

Changes in capital market rates have a direct impact on mortgage and discount rates. These in turn can have direct consequences for funding costs, trends in rental income and the value of properties.

4.12 Breaches of investment guidelines

The SFP Investment Foundation cannot rule out the possibility that an investment manager may make investments that are incompatible with the prospectus and the investment groups' investment guidelines (e.g. external funding). Breaches of the investment guidelines may have regulatory or civil law consequences for the SFP Investment Foundation or increase the risks (and therefore potential losses) for investors. However, the SFP Investment Foundation makes every effort to avoid such scenarios.

4.13 Stock exchange listing

Some unlisted collective investments follow complex investment strategies. Their investment structures may feature risks that do not exist in the same way in other asset investments (such as listed securities).

Listed indirect real estate investments are more volatile than direct real estate investments and feature a higher correlation to equity and bond markets.

5 INFORMATION ON THE INVESTMENT FOUNDATION'S EXECUTIVE BODIES AND ORGANISATION

5.1 General principle

The general principle applicable to all the following mandate holders is that they carry out their activity currently and until further notice.

5.2 General Meeting of Investors

The investment foundation's highest executive body is the General Meeting of Investors. The General Meeting of Investors draws up provisions on the organisation, management and control of the investment foundation.

5.3 Board of Trustees

The Board of Trustees is the governing body. Apart from the duties directly linked to the investment foundation's highest management level, it delegates management to third parties. It also appoints the investment manager and Compliance Office.

The Board of Trustees draws up the investment guidelines.

The following are members of the Board of Trustees:

Chairman	Alexander Vögele
Deputy Chairman	Adrian Schenker
Member	Torsten de Santos

5.4 Management Board

Based on the foundation regulations, the Board of Trustees has delegated the management function to Swiss Finance & Property AG, Untermüli 7, 6300 Zug. Swiss Finance & Property AG is licensed by the Swiss Financial Market Supervisory Authority FINMA as a distributor of funds. Swiss Finance & Property AG specialises among other things in the management and administration of collective investments. It has a paid-in share capital of CHF 1,400,000.

The Management Board is subject to the direction of the Board of Trustees and regularly reports to it and the Investment Committee (see below point 5.5 "Investment Committee"), or immediately in the event of exceptional circumstances. The details are governed by a management agreement between the SFP Investment Foundation and Swiss Finance & Property AG.

In addition to other activities, the Management Board is responsible for monitoring net asset value calculations and the investment group's accounting procedures; it defines the rules on the issue (including capital commitments) and redemption of claims.

The Management Board may delegate certain duties in part or in full, for which it bears responsibility as the Management Board.

5.5 Investment Committee

The SFP AST Swiss Real Estate Investment Committee is elected by the Board of Trustees and is responsible to the latter.

It monitors the implementation of the investment objectives and investment policy and carries out other duties under the Organisational and Business Regulations (OBR). It may make proposals to the Board of Trustees to amend the investment guidelines.

5.6 Investment management

The investment manager appointed by the Board of Trustees is Swiss Finance & Property Funds AG, Seefeldstrasse 275, 8008 Zurich. Swiss Finance & Property Funds AG specialises among other things in property portfolio management. It is licensed by the Swiss Financial Market Supervisory Authority FINMA as a fund manager. Compliance with Art. 48f (4) BVV 2 is therefore guaranteed. An investment management contract has been concluded for this purpose between the SFP Investment Foundation and Swiss Finance & Property Funds AG. The investment manager is responsible for making investment decisions (subject to the approval of the investment decisions by the Board of Trustees), for the prudent management and administration of the investment group's assets, and for handling and monitoring individual property transactions in accordance with the applicable provisions. It may make proposals to amend the investment guidelines.

5.7 Delegation of subtasks

Swiss Finance & Property Funds AG may delegate duties in part or in whole, but Swiss Finance & Property Funds AG continues to be responsible to the SFP Investment Foundation for investment management.

5.8 Property management

The SFP Investment Foundation has also delegated to Swiss Finance & Property Funds AG various tasks relating to the buying and selling of real estate and property management. Property management and technical maintenance may be further delegated to local property management specialists.

5.9 Valuation experts

The SFP Investment Foundation must instruct at least one independent valuation expert to value every property that the former wishes to buy or sell. A second independent valuation expert is called on for transactions with related parties or if there are conflicts of interest. The market value of properties is reviewed by the valuation expert once a year.

The SFP Investment Foundation has the likely costs of building projects verified to determine whether they are in line with the market and reasonable. When building work is complete, the SFP Investment Foundation has the market value estimated.

The SFP Investment Foundation has appointed the following permanent and independent valuation experts for the SFP AST Swiss Real Estate investment group:

- Patrick Schmid, Wüest Partner AG, Zurich
- Silvio Betschart, Wüest Partner AG, Zurich

5.10 Auditors

The duties of Zurich-based auditors PricewaterhouseCoopers AG are governed by Art. 10 ASV (or Art. 52c BVG analogously). These duties involve in particular auditing the annual financial statements and reviewing the organisation and activities of the Management Board and other appointees of the Board of Trustees as well as the investment management activities for compliance with legal, statutory and regulatory provisions.

5.11 Compliance Office

The Board of Trustees has set up a Compliance Office based on the Foundation Regulations of the SFP Investment Foundation, the duties of which are carried out by Swiss Finance & Property AG.

The Compliance Office is independent of the Management Board and investment manager. Swiss Finance & Property AG undertakes to take the necessary organisational measures to guarantee independence.

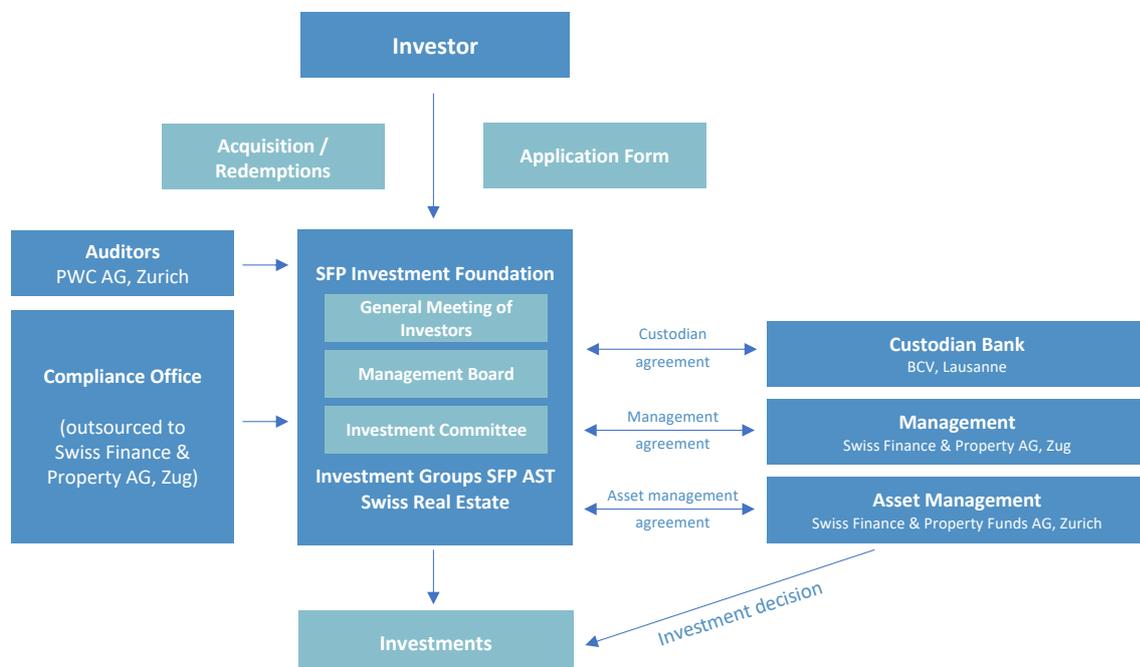
5.12 Custodian bank

The function of custodian bank is carried out by BCV, BANQUE CANTONALE VAUDOISE, Place St-François 14, 1003 Lausanne.

5.13 Investors

The names of the investors are treated confidentially and are not made public.

5.14 Organisational structure



6 PROPERTY INVESTMENT CLASS

6.1 Scope

The investment group was set up for the collective investment and management of the capital invested by the investors in real estate and securities. The claims in the SFP Investment Foundation represent an indirect investment under Art. 56 Ordinance on Occupational Old-age, Survivor's and Disability Insurance (BVV 2).

The property investment class normally covers properties in sole and co-ownership (including condominiums), buildings with building rights, and building land throughout Switzerland. Real estate serves many purposes. In terms of capital investment, a distinction is made between the following types of property investments in particular:

- residential sites;
- properties used for commercial purposes;
- properties with mixed usage;
- property development;
- building land and properties for demolition; and
- special sites (such as logistics centres and leisure facilities).

6.2 Features and intrinsic value

Property investments generate regular income from rental income and offer the opportunity for value appreciation. The property investment class is normally characterised by stable value growth and low value fluctuations. Real estate has only a low correlation with other investment classes and normally has a stabilising effect on diversified assets. Real estate is site-dependent and its marketability depends on the location, type of usage, quality and liquidity of the market. Income from real estate is notably dependent on the economy, demographic changes, employment and interest rates.

6.3 Direct and indirect investments

Capital investment in real estate may be made both directly (investor becomes owner of the property) and indirectly through real estate vehicles (property funds, property investment groups, equity holdings in property investment companies or property companies).

The benefit of a direct investment is the unlimited freedom to make decisions about the property. However, this is offset by the expense of acquiring, administering and optimally managing the properties as well as any transaction costs for the acquisition/disposal of the properties.

Compared to direct property ownership, indirect investment through real estate vehicles offers a broader risk diversification in terms of the number and size of the properties, regions, locations and possible types of usage. These investments are normally more liquid.

An investment in property may help to improve the risk mix of a portfolio. The following benefits may specifically play a major role in positive yield and value growth:

- large geographic diversification;
- improved risk mixture;
- avoidance of cluster risk;
- attractive price/performance ratio;
- active rental policy; and
- selective acquisition policy.

7 ISSUE AND REDEMPTION OF CLAIMS

7.1 Refusal

The admittance of investors or subscription of claims in the individual investment groups may be refused without any reasons being given.

7.2 Procedure for issues and redemptions

The Management Board carries out the issue and redemption of claims, with the initial investor contact or subscription being made through the investment foundation.

7.3 Issue of claims

Claims may be issued at any time. They are normally issued in tranches. To do so, the Management Board determines the number of new claims to be issued, the allocation method in the event of over-subscription, the date of the issue as well as the closing and valuation date.

Claims may be issued against cash deposits as well as by payment in kind of real estate.

7.4 Redemption of claims

Claims may be redeemed at month-end subject to a three-month notice period.

In exceptional circumstances, particularly if there are liquidity shortages, the Management Board may service redemptions on a staggered basis in consultation with the investment manager.

7.5 Additional restrictions for the issue and redemption of claims

The issue and redemption of claims is also subject to the following restrictions:

If there is a lack of investment opportunities, the investment group may temporarily suspend subscriptions.

In exceptional circumstances, particularly if there are liquidity shortages, the redemption of claims may be suspended by up to two years. If, after the two-year suspension period, the servicing of redemptions is only possible by accepting significant discounts on investments or is not possible due to the illiquidity of investments, other options will be examined after consulting with the investors and informing the Supervisory Authority.

In justified cases and subject to the Management Board's prior approval, claims in an investment group may be assigned among the investors (i.e. transferred from one investor to another).

7.6 Issue and redemption prices

The issue price per claim is the net asset value per claim determined on an unaudited basis on the valuation date plus a premium determined by the Management Board (issue fee under point 13.1). This prospectus as well as the Fee and Cost Regulations are applicable.

The redemption price per claim is the net asset value per claim determined on an unaudited basis on the valuation date minus a deduction determined by the Management Board (redemption fee under point 13.1). This prospectus as well as the Fee and Cost Regulations are applicable. The redemption price is published once a month at month-end on www.sfp-ast.ch.

The difference between the net asset value for redemptions and issue price is credited to the investment group. This prospectus plus the provisions in Art. 8 (issue of claims) and Art. 11 (redemption of claims) of the regulations are applicable.

7.7 Redemption notification

Claims are redeemed through written or electronic redemption notification.

The electronic or written redemption notification must be received by the Management Board by 4 pm on the last banking day of the applicable month (instruction date).

Subscription or redemption notifications received after that time by the Management Board will automatically be dealt with on the next redemption date.

7.8 Capital commitments and investments in kind

Capital commitments may be accepted. The acquisition of claims against investments in kind is permitted. An investment in kind is only permitted if the properties in question are compatible with the investment policy and investment guidelines, and the interests of the other investors are not compromised.

Investments in kind are processed at the net asset value on the date they are transferred, i.e. no issue fee is applied.

The investment manager issues a report on the individual contributed properties which shows the market value on the transfer date and the number of claims transferred as consideration in addition to any cash settlement.

The value of an investment in kind is confirmed by an independent expert and verified by the auditors.

8 VALUATION

The net asset value of the investment group is determined in compliance with Swiss GAAP FER 26 and any requirements of the OAK BV. The value of the investment group is determined on the basis of the net asset values most recently provided by the corresponding managers and administrators of the collective investments and the market values of direct real estate investments or the respective stock market values. If, exceptionally, the net asset values provided are not sufficiently up to date, the collective investments are valued using the last reported net asset value, taking account of market fluctuations that have occurred. Any accrued interest and liabilities of the investment group are also taken into account. This way, any costs and estimated tax consequences applicable to the sale of units can be priced into the net asset value calculation. The value of a claim is based on the net asset value of the investment group divided by the number of claims in circulation.

The net assets of an investment group exist in the market value of the individual assets, plus accruals (e.g. accrued interest) less liabilities (deferred expenses). For property investment groups, the taxes likely to be incurred on disposal of the real estate are deducted.

The net asset value of the investment group is calculated at least semi-annually. The net asset value is also recalculated whenever claims are issued and redeemed.

The market value of real estate is determined whenever there is a purchase and also annually for the whole portfolio using the discounted cash flow method or, for building projects, appropriate valuation methods.

The SFP Investment Foundation appoints an expert to estimate the market value of properties once a year. The valuer must inspect the properties at least every three years.

The SFP Investment Foundation also publishes audited annual financial statement as part of the annual report.

Furthermore, the net asset value determined at the end of every financial year as of 31 December is audited by the SFP Investment Foundation's auditors.

9 TRADING AND ASSIGNMENT OF CLAIMS

It is not permitted to pledge claims or freely trade them. In justified cases and subject to the Management Board's prior approval, claims in an investment group may be assigned among the investors (i.e. transferred from one investor to another).

10 INVESTMENT GUIDELINES

Based on Art. 11 of the Articles of Association of the SFP Investment Foundation (hereinafter "SFP Investment Foundation"), the Board of Trustees has drawn up the following investment guidelines.

The provisions of the investment guidelines may be amended by the Board of Trustees at any time. Investors are informed of any amendments in a suitable form.

10.1 General principles

The legal provisions of the BVG and the implementing provisions applicable to investment foundations, specifically the ASV, apply to all investment groups.

Where debtor and company restrictions are breached under Art. 54 and 54a BVV 2, the comparative index in the special provisions of the investment guidelines and the maximum percentage divergence from the comparative index are specified.

The debtor and company restrictions under Art. 54 and 54a BVV 2 may not be breached in mixed portfolios. The restriction per property, i.e. Art. 54b (1) BVV 2, must also be observed in a mixed portfolio.

The category restrictions of individual investment categories (Art. 55 BVV 2) only apply to mixed portfolios (balanced portfolios).

Divergence from the investment guidelines is only permitted on a case-by-case and temporary basis if investors' interests urgently require a divergence and the Chairman of the Board of Trustees agrees to the divergences. The Investment Committee must be informed of any divergences. The divergences are disclosed and explained in the notes to the annual financial statements.

Temporary breaches of the restrictions are permitted if they occur passively, i.e. through price or currency profits or losses, or through the issue and redemption of claims.

The SFP Investment Foundation does not normally engage in leverage. However, short-term leverage for technical reasons is permitted, for example to fund redemptions or bridge contrary payment streams with different value dates.

If the provisions of the investment guidelines require a minimum and/or average rating, the following rules apply:

- If the ratings of the Standard & Poor's Corporation (S&P), Moody's Investor Service, Inc. (Moody's) and Fitch Ratings Inc. (Fitch) agencies differ, the lowest shall apply.
- If there is no rating from an agency, a comparable bank rating may be applied.

The use of derivative investment instruments is permitted. In this case, Art. 56a BVV 2 including its related specialist recommendations must be observed. The strategies followed must be justified on professional grounds and an application must have the following objectives:

- to reduce exposure of existing positions, particularly the hedging of interest rate, currency or equity price risk of investments;
- to increase exposure of positions rather than acquire physical investments;
- to improve income through the covered sale of options; and
- to exploit higher market liquidity and lower transaction costs compared to physical investments.

Derivatives may only be used if their underlying values are permitted for the SFP AST Swiss Real Estate investment group under the following conditions. There must be a clearly transparent relationship between the underlying value and derivative. The use of complex derivatives that are difficult to understand is not permitted. The use of derivatives is limited to instruments that have sufficient market liquidity and for which the debtor or counterparty has impeccable creditworthiness. The debtor and company restrictions under the investment guidelines' special provisions must be complied with every time that derivative financial instruments are used.

Leverage effects produced by the use of derivatives are not permitted. The economic exposure of an investment group must therefore never be higher than its assets, and net short positions on individual securities are not permitted.

Derivatives positions must always be covered by existing liquidity or underlying assets.

The positions entered into must be regularly and prudently monitored. A specialist that is independent of the SFP Investment Foundation carries out daily checks for compliance with the derivatives guidelines. A derivatives report is produced at least once a quarter and disclosed once a year in the notes to the annual financial statements.

The investment group may invest in collective investments in compliance with Art. 30 ASV.

For investment groups that primarily make direct investments, the proportion of collective investments overall is restricted to a maximum of 10% of the investment group's assets.

Investments in collective investments that require additional payments or liability guarantees are not permitted.

The following provisions may contain contrary regulations that take precedence over the general principles.

10.2 Investment policy

The SFP AST Swiss Real Estate investment group invests in real estate throughout Switzerland. As well as residential properties, it also acquires properties with other uses, such as offices, hotels, and retail, logistics and commercial facilities. In doing so, it places importance on an appropriate distribution by region, location and type of use. In selecting locations, it takes particular account of real estate market cycles, economic power, economic forecasts as well as the political, legal and tax environment. Great importance is attached to the location and quality of properties, as the rentability and therefore long-term earning power and appreciation potential essentially depend on them.

Properties are mainly owned directly. A limited direct property exposure may also be built up through collective property investments (fund units, claims of investment foundations), real estate investment companies and real estate companies.

10.3 Investment instruments

The SFP AST Swiss Real Estate investment group invests directly in real estate. This can be properties in sole and co-ownership, building projects with building rights, undeveloped sites or construction and real estate development projects.

Furthermore, the acquisition is permitted of units in Swiss property funds and claims of investment foundations that invest primarily in real estate in Switzerland, equities of real estate investment companies headquartered in Switzerland as well as equity holdings in property companies designed solely for the buying and selling or letting and leasing of proprietary sites in Switzerland.

Liquid funds may be invested in money market instruments for the purposes of liquidity management.

Real estate may be contributed into the investment group as an investment in kind.

10.4 Investment objective

The investment objective is to generate sustainable investment income through the long-term ownership and management of real estate. The return from construction and property development projects should also be optimised.

10.5 Investment strategy

The SFP AST Swiss Real Estate investment group invests directly in Swiss real estate, primarily properties for residential, retail and office use.

It may also make investments in real estate with other types of use, such as logistics, hotels, restaurants, commercial and leisure facilities. Leisure facilities are allocated to commercial properties, hotels and restaurants depending on usage.

Particular importance is placed on the quality of tenants, specifically their creditworthiness.

In the main, the following criteria are crucial for investments:

- attractive locations with the potential for an increase in value;
- letting to tenants with a good credit record;
- sustainable yield guarantee thanks to long-term leases; and
- construction quality and fabric compliant with the intended use.

The SFP AST Swiss Real Estate investment group may also invest in construction and property development projects. The SFP AST Swiss Real Estate investment group invests solely in construction and property development projects in Switzerland. The focus here is on the development and realisation of property projects with attractive potential for adding value, but investment in building land and buying existing properties with development potential (particularly changes of use) are also permitted. Investments are either made directly (direct property ownership) or in the form of equity holdings in property companies (portfolio companies). Depending on the investment guidelines, i.e. in compliance with the diversification provisions applicable to the investment group's overall portfolio, investment in building and property development projects may be made in a single development project (i.e. without diversification) or in several development projects or properties without restriction on proportionate distribution or usage.

10.6 Investment restrictions

The assets are invested throughout Switzerland in properties with differing location and site quality in order to actively exploit market opportunities. This is a mixed portfolio covering residential, commercial and mixed-use properties.

Investments in residential properties (including retirement housing, student accommodation and housing with services) must account for at least 40% of total assets.

Investment in commercial use sites (offices, retail, logistics, commercial, leisure facilities and hotels) must account for at least 40% of total assets, subject to compliance with the following restrictions:

- Offices: min. 20% up to max. 60% of total assets;
- Retail: max. 30% of total assets;
- Commercial, logistics, technology, research and high-tech buildings: max. 40% of total assets; and
- hotels and restaurants: max. 20% of total assets, but these may only be acquired as part of mixed-use sites.

The acquisition and granting of enduring rights (building rights) is also permitted in addition to properties in sole ownership, co-ownership and condominium ownership.

Investments in sites in co-ownership without a majority of co-ownership units and votes are permitted, provided their market value does not exceed 30% of the assets of the SFP AST Swiss Real Estate investment group. The average co-ownership share per property may not exceed 10% of the total assets of the SFP AST Swiss Real Estate investment group on the investment date.

Building land, buildings under construction, building and property development projects and ongoing total refurbishments may not exceed 30% of total assets.

Total assets must be distributed between at least 10 independent sites, with adjacent parcels and developments based on the same construction principles regarded as a single site. The market value of

a site may not exceed 15% of the total assets of the SFP AST Swiss Real Estate investment group.

The acquisition is permitted of units in Swiss property funds and claims of investment foundations that invest primarily in real estate in Switzerland as well as of shares in property investment companies headquartered in Switzerland, provided their shares are traded on a stock exchange or another regulated market open to the public. Furthermore, equity holdings in property companies designed solely for the buying and selling or letting and leasing of proprietary sites in Switzerland is permitted, provided their shares are traded on a stock exchange or another regulated market open to the public. These investments collectively may not account for more than 10% of total assets.

Liquid funds (CHF) may be held with Swiss borrowers as bank credit balances at sight or on deposit and as money market investments (including bonds with a residual term of up to 12 months). To guarantee the aforementioned building projects or if there is a lack of investment opportunities, the assets may also be invested in debt securities denominated in CHF of borrowers in Switzerland with a residual term of up to 24 months.

For money market investments, the borrower's short-term rating must be at least A-1 (S&P), P-1 (Moody's) or F1 (Fitch). The minimum requirement for acquiring bonds is A (S&P), A2 (Moody's) or A (Fitch). The average rating of bonds must be at least A+ (S&P), A1 (Moody's) or A+ (Fitch). Positions that are downgraded after purchase may be held, provided this is in investors' interests.

The above quantitative and usage-related criteria must be met within five years of the launch of the SFP AST Swiss Real Estate investment group.

The following are not permitted under any circumstances:

- investments in sites used for agricultural purposes;
- investments in single-family houses and villas, châteaux and castles; and
- investments in funds of funds that in turn invest in funds of funds.

Investments are carried out in compliance with the relevant provisions of the Ordinance on Investment Foundations (ASV).

10.7 Credit limit

Properties may be used as collateral. However, the average loan-to-value ratio of all properties owned directly by the SFP AST Swiss Real Estate investment group or in collective investments may not exceed 33.33% (one-third) of the properties' market value.

Loans against collateral may exceptionally and temporarily be increased to 50% if this is necessary to preserve liquidity and is in the investors' interests.

10.8 Entry into force

These investment guidelines enter into force on 26 September 2019 by resolution of the SFP Investment Foundation's Board of Trustees.

11 DUE DILIGENCE

Investment decisions are taken under a structured and documented verification, selection and control process (due diligence) based on qualitative and quantitative criteria. As such, financial, business, legal, tax, technical and environment-specific aspects are verified in particular. Due diligence may be delegated to external experts.

Collective investments are selected based on a top-down/bottom-up analysis. Macro-economic factors in particular are taken into account in a top-down analysis.

The strategy derives from the correlation of market scenarios and information gained from individual managers and collective investments. The strategy also takes account of performance opportunities as well as related market risk. Here a broad universe of criteria and information resources is used, including manager interviews, finance and real estate specialists, on-site visits of properties, annual reports and market statistics. Other market influences are also included in the implementation of the strategy.

After a transaction is concluded, every property investment is monitored and revalued at regular intervals.

12 ACCUMULATION AND DISTRIBUTION OF INCOME

The SFP AST Swiss Real Estate investment group may make distributions or accumulate profits.

13 FEES AND COSTS

The rules on fees and costs are drawn up by the Board of Trustees in separate regulations (Fee and Cost Regulations) based on Art. 11 of the Articles of Association. All fees listed below currently apply until further notice.

13.1 Fees charged to investors

The transaction costs associated with the issue and redemption of claims are borne by the respective investors (issue and redemption fees). These contain fees and charges connected with the issue and redemption of claims. The level of these fees due to the investment group amounts to maximum 1% and is adjusted to reflect market conditions.

Investors can find out about the current fee schedule at www.sfp-ast.ch.

13.2 Management costs charged to the investment group

13.2.1 Management fee and distribution fee

The management fee covers portfolio management, and management and administration of the investment group, amounting to 0.35% p.a.

The management fee is based on the investment group's total assets at the beginning of the respective quarter and is exclusive of any VAT.

The fee is charged quarterly.

In addition to the management fee, the investment group may also be charged a distribution fee of up to 0.25%. The distribution fee may be charged once on the issue of units or for capital commitments. It serves as compensation for distribution partners that place the investment group with investors. The applicable rate for the distribution fee is detailed in the contract governing capital commitment.

13.2.2. Other management costs

Other costs charged to the investment group and included in the valuation of a claim's value are incurred in connection with the operation of the investment group. These specifically include the actual costs listed below that are charged directly to the investment groups:

- custodian bank's fees, including processing of subscriptions and redemption of units;
- cost of OAK BV supervision plus association costs (membership contributions KGAST, ASIP and similar);
- establishment costs;
- proportion of Board of Trustees' fees, Investment Committee's fees, cost of General Meeting of Investors;
- auditors' fee;
- accounting costs of the investment foundation, investment groups, calculation of NAV or issue and redemption prices as well as relationship services concerning administration services;
- cost of producing supervisory-related reports;
- cost of printing quarterly and annual reports;

- cost of publication of notices to investors, announcement of prices (NAV) in electronic information systems and platforms; and
- reimbursement of expenses for travel costs, telephone and postage costs, advertisements, credit information, debt collection and court costs, legal fees, bank and postal check expenses, etc. based on actual expense.

13.2.3 Other costs and expenditures

Direct or indirect costs in particular may reduce the return on claims of the SFP AST Swiss Real Estate investment group. These include

- the investment group's costs for building projects, realisation of new buildings and refurbishments;
- ancillary costs for buying and selling investments (e.g. property sale tax and other taxes, notary costs, fees, customary brokerage fees, etc.);
- customary commission for third parties for buying and selling property and for new lets;
- accounting costs, cost of the corporate secretary and of regular audits;
- fees of permanent valuation experts and their agents;
- fees of any other experts, such as legal, tax and technical advisors;
- legal and court costs in connection with enforcement of invoices and claims due to the investment group;
- other costs incurred in connection with the technical and administrative management and maintenance of the assets (particularly insurance costs);
- external third-party costs connected with aborted transactions;
- external third-party costs connected with due diligence clarifications; and
- costs of any exceptional arrangements made in the investors' interests.

The following costs are explicitly incurred:

- building commission: 1.5% of the construction total
- buying and selling commission by transaction volume on a staggered basis:

First CHF 10 million:	1.5%
Above CHF 10 million up to CHF 30 million:	1.25%
Above CHF 30 million up to CHF 50 million:	1%
Above CHF 50 million:	0.75%

Packet transactions are regarded as a purchase or sale.

These fees are exclusive of any VAT.

Other expenditures incurred by the operation of the SFP Investment Foundation (e.g. transaction costs, fees of the Board of Trustee members) are also charged to the individual investment groups based on the originator principle.

Furthermore and in addition to ordinary property expenditures, costs invoiced by third parties (exceptional valuation costs, fiduciary construction fees, management fees, property sale tax, notary costs, levies, legal and court costs, broker fees, etc.) are also charged to the investment group.

If the investment manager acquires units in other collective investments, management commissions are also due to the same and are included in the total expense ratio for real estate special funds for investment foundations (TER ISA).

These fees, costs and expenditures may be adjusted because of changes in the market or costs.

The TER ISA figure is disclosed in the annual report.

14 INVESTOR INFORMATION AND PUBLICATIONS

The SFP Investment Foundation issues a quarterly report to investors on the investment group's performance. The quarterly report includes the following unaudited information:

- description of investment activity;
- allocation by geographic location and usage;
- number of investments;
- details on largest positions;
- NAV of the investment group, NAV per claim;
- performance of claims; and
- costs and expenditures.

The SFP Investment Foundation issues an annual report with information as per Art. 35 (2) ASV within four months of the end of the financial year.

The Articles of Association, Foundation Regulations, investment guidelines, prospectus and the relevant quarterly report can be downloaded from the internet at www.sfp-ast.ch as pdf files.

15 ISIN AND SECURITIES NUMBER

Security	ISIN	Name of investment group
43 753 274	CH0437532747	SFP AST Swiss Real Estate

16 AMENDMENTS

Amendments to the prospectus are proposed by the Management Board of the SFP Investment Foundation and approved by the Board of Trustees. The amended prospectus is immediately made available in a suitable form to all investors of the SFP AST Swiss Real Estate investment group. The aforementioned documents as well as the most recent annual reports (including audited annual financial statements) and any other documents may also be obtained free of charge from the Management Board of the SFP Investment Foundation.

17 ENTRY INTO FORCE

This prospectus enters into force on 26 September 2019 by resolution of the SFP Investment Foundation's Board of Trustees.

Zurich, 26 September 2019

Disclaimer

These statements do not represent an offer. They are for information purposes only. The information contained in this document was compiled with the greatest of care. Although this information and these opinions derive from a reliable source, no guarantee is given as to their correctness or completeness. If there are any deviations from the adopted Articles of Association, regulations and guidelines, the provisions of the adopted documents shall take precedence over the text of this prospectus.

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