

4th of July 2025

Seraina Investment Foundation

Prospectus of the investment group
SIF LIVING ESG

The German version of this document is binding.

The information contained in this prospectus is based on the statutes, the foundation regulations and the special regulations (e.g. investment and financing guidelines) of the Seraina Investment Foundation (the "**Foundation**"), the issuer of the "SIF LIVING ESG" ("**LIVING**") investment group. In the event of contradictions, the law, the legal practice based on it, the Articles of Association, the Foundation Regulations and the Special Regulations as well as amendments to these take precedence over the prospectus.

The Board of Trustees is responsible for amendments or additions to this prospectus. Investors will be informed of or given access to the amendments or additions without being requested to do so, either in physical (paper form) or electronic form, for example by posting them on the Foundation's website.

The LIVING investment group is a real estate investment group with existing properties in Switzerland. It invests its funds in land in sole and co-ownership (including condominiums) as well as buildings under building rights. This also includes non-profit apartments and qualified forms of housing such as retirement and student housing. Properties without predominantly residential use (i.e., commercial use) are also permitted. The investment group intends to take appropriate account of sustainability aspects.

This prospectus forms the basis for the issue and redemption of units in the investment group LIVING and for the acquisition of existing units in the LIVING investment group by way of assignment.

This prospectus replaces the previous version of the prospectus of the foundation for the LIVING investment group dated June 2023.

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1 Information about the foundation

The Seraina Investment Foundation or "SIF" or the "Foundation" is a foundation under Swiss law within the meaning of Art. 80 et seq. of the Swiss Civil Code (ZGB) of December 10, 1907. As an investment foundation, it is subject to the provisions of Art. 53g et seq. of the Federal Law on Occupational Retirement-, Survivors' and Disability Pension Plans (BVG) of June 25, 1982. The purpose of the Foundation is to invest and manage the pension assets entrusted to it-. It conducts capital investments exclusively for institutional investors in occupational pension schemes. In particular, tax-exempt pension funds under private or public law domiciled in Switzerland, vested benefits institutions, the Substitute Occupational Benefit Institution, the Guarantee Fund, investment foundations, patronage welfare funds, financing foundations and bank foundations within the scope of Pillar 3a are admitted as investors of the Foundation. Persons supervised by FINMA who manage collective investments (such as fund management companies for the investment funds they manage) are also admitted as investors, provided that they only invest assets in the Foundation that originate from collective investments whose investor base is demonstrably limited to the institutions specified in Art. 3 para. 1 lit. a of the Articles of Association. The Foundation is supervised by the Federal Occupational Pension Supervisory Commission ("OAK BV").

2 Information on the foundation's assets

The foundation's assets are made up of the core assets with an initial dedication of CHF 200,000 and the investment assets contributed by the investors for the purpose of investment. The investment assets consist of equal, non-par value and irrevocable claims of the investors. The entitlements are not securities, but investment units recorded in the accounts. Claims may not be pledged or assigned to third parties without the prior consent of the Foundation's management.

3 Real estate as an investment

Real estate as an investment usually includes land in sole and co-ownership, including condominiums, buildings under building rights and building land. A distinction must be made between real estate as an investment:

- Residential buildings;
- Commercially used properties;
- Buildings with mixed use;
- Building land and demolition sites;
- and special buildings.

Real estate investments generate regular income thanks to rental income and offer the possibility of value appreciation. As a result, real estate differs fundamentally from other asset classes and therefore has only a weak correlation with them. Real estate therefore tends to have a stabilizing effect on a broad-based asset portfolio, with factors such as population growth, property use, employment and interest rates playing a significant role in the success of the investment.

4 Investment focus and investment strategy

4.1 Existing properties

The LIVING investment group mainly acquires and holds as-new portfolio properties with a very good rating in Switzerland with a focus on residential properties (core strategy). In addition, properties from the foundation's Swiss Development Residential ("SDR") investment group can be transferred to the LIVING investment group. This is based on the market value determined by the valuation expert. The Investment Foundation ensures that investors in both investment groups are treated equally.

As part of the launch of the LIVING investment group, certain existing properties of the SDR investment group, which were developed and completed as construction projects, are to be acquired with a value of approximately up to CHF 120 - 125 million.

The LIVING investment group invests directly or via wholly owned subsidiaries in real estate in metropolitan areas and conurbations in Switzerland. The investments may be made directly in land.

The economic objective is to generate an appropriate return with the investment capital of the LIVING investment group by investing in mainly new properties with an excellent ESG rating. This also includes non-profit apartments and qualified forms of housing such as retirement and student housing. To a lesser extent, however, investments in properties without predominantly residential use are also permitted, namely commercial properties, office properties, commercial properties (including retail), industrial properties, logistics properties, restaurants, hotel properties, pure leisure properties and mixed-use properties. All real estate investments are made in Switzerland.

The primary objective of the LIVING investment group is the successful development and flawless property management of LIVING in the interests of the investors. An appropriate fee policy is applied for infrastructure, professional management and appropriate administration of the investments and investment assets. The Foundation's financial objective is to achieve a stable and risk-adjusted investment return for investors.

4.2 Investment and financing guidelines for the LIVING investment group

The investment and financing guidelines for the LIVING investment group form the basis for all investment decisions. They define the type of investments to be made and, in particular, specify the investment restrictions. The investment and financing guidelines comply with the provisions of Art. 26 et seq. of the Ordinance on Investment Foundations of June 10 and 22, 2011 ("ASV"), which were amended with effect from August 1, 2019.

The investment group LIVING is a real estate investment group with investments in real estate with predominantly residential use. The Foundation reserves the right to invest some of the assets of the LIVING investment group in cash investments for liquidity management purposes.

The complete investment and financing guidelines for the LIVING investment group are as follows:

Part One: General Investment Guidelines

1. The investment assets of the SIF LIVING ESG investment group (hereinafter referred to as "LIVING") are invested in accordance with the criteria of security, return, liquidity and sustainability. The Foundation pursues an investment strategy geared towards stability with sustainable returns.
2. The Foundation invests the assets in compliance with the laws, principles and guidelines applicable to tax-exempt pension plans and in accordance with the practice of the supervisory authority.
3. It is not permitted to invest in institutions where there is an obligation to make additional contributions.
4. The general investment guidelines in accordance with this first part supplement the special investment guidelines in the second part of these investment guidelines. The special investment guidelines pursuant to the second part of these investment guidelines take precedence over the general investment guidelines pursuant to this first part and may deviate from them.

Part Two: Special investment guidelines

Artikel 1 Investment focus

1. The LIVING investment group is a real estate investment group that invests in properties with predominantly residential use. It mainly acquires as-new existing properties with an excellent ESG rating in Switzerland with a focus on residential properties and holds these (core strategy). The investment group may also acquire projects with planning permission.
2. Investments in properties with predominantly residential use also include non-profit apartments and qualified forms of housing such as retirement and student housing. Commercial properties, office properties, commercial properties (incl. retail), industrial properties, logistics properties, restaurants, hotel properties, pure leisure properties and mixed properties (common, "commercial use") are permitted as properties without predominantly residential use.

3. The LIVING investment group invests its funds throughout Switzerland. The assets of the LIVING investment group are distributed appropriately by region and location.
4. The criteria for selecting properties are attractiveness of location, accessibility by public transport, location development, economic and demographic developments, rental and sales opportunities, yield to be generated, existing potential for increases in value and income as well as an excellent ESG rating.
5. The Foundation defines the relevant ESG criteria for the consideration of sustainability aspects by the LIVING investment group. It is guided by the ESG criteria of Wüest Partner AG for location and building rating Environment (E), location and building rating Social (S) and location and building rating Governance (G) and uses the ESG rating of Wüest Partner AG (WP Dimension ESG tool). The aim of the LIVING investment group is to achieve an overall ESG rating from Wüest Partner AG (building and location) of at least 3.5 on average for the portfolio.
6. The LIVING investment group can keep or sell the properties as portfolio properties.

Artikel 2 Permitted installations

1. The LIVING investment group invests its funds in investment properties that meet the requirements set out in Art. 1. These may also be buildings developed and completed by the Swiss Development Residential investment group and offered for sale by the latter at normal market prices.
2. All investment decisions are preceded by a careful examination of various parameters (financial, legal, tax, technical and environmental).
3. All investments are made by means of direct investments. Direct investments are as follows:
 - a. Real estate pursuant to Art. 655 para. 2 no. 1 ZGB;
 - b. independent and permanent building rights to real estate pursuant to lit. a; and
 - c. Co-ownership shares in properties pursuant to lit. a and building rights pursuant to lit. b.
4. Direct investments also include:
 - a. investments pursuant to para. 2 that are held by subsidiaries within the meaning of Art. 33 ASV that are wholly owned by the Foundation; and

- b. Investments pursuant to para. 2 that are held by another investment group of the Foundation in which this investment group is invested.
5. Derivatives are only used to hedge interest rate and market risks.

Artikel 3 Investment restrictions

1. Building lease properties pursuant to Art. 2 para. 2 lit. b) may not account for more than 30% of the assets of the LIVING investment group.
2. Ordinary co-ownership without a controlling influence pursuant to Art. 2 para. 3 lit. c) may not account for more than 30% of the assets of the LIVING investment group.
3. The share of permitted investments in construction projects within the meaning of Art. 27 para. 3 ASV may not exceed a total of 30% of the assets of the LIVING investment group.
4. The market value of an investment property does not exceed 15% of the assets of the LIVING investment group. Housing estates built according to the same construction principles and adjoining plots are deemed to be a single investment property.
5. The proportion of investment properties with residential use (including qualified forms of housing such as retirement and student housing) is between 80% and 100% of the LIVING investment group's assets. The share of investment properties with commercial use is limited to a maximum of 20% of the assets of the LIVING investment group. The share of qualified forms of housing in the total assets of the LIVING investment group is limited to a maximum of 50%.
6. Properties with fossil fuels as defined by the Swiss Federal Office of Energy are excluded. If the property is connected to the district heating network, at least 60% of its energy must be CO₂-neutral. The acquisition of properties with an ESG rating from Wüest Partner AG for the building of less than 3.0 is excluded.
7. Construction projects for individual detached houses and villas are not permitted as facilities.

Artikel 4 Borrowing and pledging

8. The LIVING investment group may pledge investment properties.
9. The loan-to-value ratio may not exceed one third of the market value of the investment

properties held directly by the LIVING investment group or via subsidiaries. The Board of Trustees is authorized to increase the loan-to-value ratio to 50% of the market value of all investment properties on an exceptional and temporary basis if this is necessary to maintain liquidity and is in the interests of the investors.

10. Any other borrowing is only permitted if it is technically necessary and short-term.

Artikel 5 Subsidiaries of the real estate investment group

1. The sole purpose of subsidiaries of the LIVING investment group may be the acquisition, sale, rental or leasing of their own investment properties.
2. Subsidiaries must be wholly owned by the Foundation (in the name and for the account of the LIVING investment group).
3. The Foundation may grant loans to the subsidiaries in the name and for the account of the LIVING investment group.
4. The Foundation may issue guarantees or enter into sureties for the subsidiaries in the name and for the account of the LIVING investment group, provided that these are limited to the assets of the LIVING investment group. The guarantees and sureties may not exceed the total amount of the liquid assets of the LIVING investment group or 5% of the assets of the LIVING investment group and may only be issued for short-term financing commitments or bridge financing.

Artikel 6 Cash and cash equivalents

1. Cash and cash equivalents may be held in the form of sight and time deposits at banks and in the form of direct or indirect money market investments (e.g. via a money market fund) with a maximum term of one year. The investment is made in Swiss francs.
2. The LIVING investment group is generally fully invested. In the absence of investment opportunities, the assets may also be temporarily invested in listed bonds, fixed-term deposits and debt securities of all kinds denominated in Swiss francs.
3. Listed bonds, fixed-term deposits and debt securities denominated in Swiss francs with a term of up to 24 months can be held to secure upcoming construction projects.

4. All investments of liquid funds must be made with debtors that have a minimum rating of A (Standard & Poor's), A2 (Moody's) or A (Fitch).

Artikel 7 Transitional provisions

1. During the set-up phase of the LIVING investment group, deviations from the diversification rules and investment restrictions of these investment guidelines are permitted.
2. The first five (5) years since the launch of the LIVING investment group are deemed to be the build-up phase. The date of launch is the date of the first contribution of assets to the LIVING investment group by investors, whereby the receipt of binding capital commitments does not in itself constitute a contribution of assets.

5 Organization, committees and parties

5.1 Board of Trustees, management and commissions

The **Board of Trustees** consists of a minimum of three and a maximum of ten members. The founder, their legal successors and persons with economic ties to the founder may be represented by a maximum of one third of the Board of Trustees. The Board of Trustees is the highest executive body of the Foundation.

The Board of Trustees has delegated **management** to Seraina Invest AG on the basis of a management and administration agreement. The Board of Trustees decides on the appointment of the members of the Management Board. The management is subject to the instructions of the Board of Trustees. The Foundation is administered by the Management Board, which is responsible in particular for the issue and redemption of entitlements. It also reports to the Board of Trustees on a regular basis and immediately in the event of exceptional circumstances.

The Board of Trustees has delegated investment decisions to Seraina Invest AG within the framework of the investment guidelines, in particular on the acquisition, development, pledging and sale of real estate. In particular, it is responsible for the careful selection of investments.

The Board of Trustees may set up **commissions, specialist committees and working groups** to provide advice and specialist support and to carry out specific tasks. Unless otherwise stipulated, these bodies do not act independently in the name of the Foundation.

A graphic overview of the organization can be found in the annex to this prospectus under item 11.

5.2 Risk management, internal control and compliance

Risk management is the comprehensive and systematic control and management of risks on the basis of economic and statistical findings. Risk management includes the identification, measurement, assessment, control and reporting of individual and aggregated risk positions. The Board of Trustees determines the basis of the corporate risk policy and risk appetite as well as the risk limits.

The Board of Trustees implements an organizational structure in which responsibilities, competencies, accountability and powers of instruction and decision-making are clearly defined and documented.

The risk management tasks were delegated to PVB Pernet von Ballmoos AG. It ensures that all significant risks for the Foundation are recorded, limited and monitored. PVB Pernet von Ballmoos reports regularly to the Board of Trustees on the results of risk management.

The Board of Trustees defines the appropriate processes for identifying, measuring, evaluating, assessing and controlling the risks entered into by the Foundation. To this end, the Board of Trustees issues an internal control system (ICS).

Compliance is defined as adherence to legal, regulatory and internal provisions as well as observance of customary market standards and codes of conduct. The compliance tasks have been delegated to Grant Thornton AG. Grant Thornton AG reports regularly to the Board of Trustees on the results of its compliance activities.

5.3 Information for investors

Investors are informed about the course of business on a quarterly basis by means of a quarterly

report and receive the annual report with the annual financial statements audited by the auditors every year. These documents can also be viewed on the Foundation's website:

(<http://www.serainainvest.ch/en/>).

5.4 Avoidance of conflicts of interest

If, during the decision-making process on transactions and matters, a member of the Board of Trustees has a personal interest in the transaction under discussion, is employed by a third party involved in the transaction, represents a third party involved in the transaction or has acted as a consultant or expert for a party involved in the same matter or could be biased in the matter for other reasons, the member concerned must **withdraw from** the discussion and decision-making process.

If the question of withdrawal is disputed in a case, the body concerned shall make the final decision, excluding the member concerned.

5.5 Other parties

All orders to the parties listed below are currently being carried out until further notice.

Property management and various sub-tasks in connection with the purchase and sale of real estate have been delegated to renowned real estate management companies.

The foundation employs at least one independent valuation expert to regularly **assess the properties and check their market value**. Both market conformity for construction projects and market values after completion are checked and estimated. The Foundation has commissioned the valuation experts of Wüest Partner AG, Zurich, and KPMG AG, Zurich, to carry out these tasks.

The Foundation's **custodian bank** is Banque Cantonale Vaudoise (BCV), Lausanne.

Seraina Invest AG is a partner in the **marketing and distribution of** the Foundation's entitlements.

The **net asset values** are regularly audited and independently checked for plausibility by Ernst & Young AG.

The duties of the **auditors**, EY AG, Zurich, are governed by Art. 10 ASV.

6 Claims

6.1 Fundamentals

Investors' claims are dealt with in detail in the foundation regulations.

Although the Foundation Regulations stipulate that new investment groups can be closed and limited in time by the Board of Trustees when they are launched, the LIVING investment group has an open structure and no end date (*evergreen structure*).

The Executive Board decides on the issue of entitlements (issues) and the corresponding modalities. Contributions in cash or in kind are permitted.

6.2 Contributions in kind

Contributions in kind are only permitted if they are compatible with the investment strategy and the interests of the other investors are not impaired by the acceptance of contributions in kind. Only real estate that complies with the investment and financing guidelines may be considered as contributions in kind in the form of real estate. In addition, these must be valued by a valuation expert within the meaning of Art. 11 para. 1 ASV in accordance with the valuation method provided for in the foundation regulations. This valuation must then be reviewed by a second valuation expert who is independent of the first. If the valuations differ, the lower value shall apply. The Board of Trustees then prepares a report on all contributions in kind made. The type, location, price and gross yield or expected gross yield of the contributions in kind must be listed for each property in the notes. The auditors then check the simultaneous valuation of the contributions in kind and the claims issued. In the case of real estate contributions in kind, the auditors also check whether the valuation complies with the regulations and has been carried out professionally and whether the price appears reasonable. In the audit report, the auditors confirm the proper procedure and the compliance of the contribution in kind with the investment and financing guidelines.

6.3 Rating

The value (net asset value) of an entitlement is measured according to the respective net assets of the investment group concerned on the valuation date, divided by the number of entitlements existing in this investment group. The net assets consist of the market value of the investments plus any income and interest less all liabilities and the estimated liquidation taxes and costs. In the case of real estate, the market value of the investments is based on the most recent valuation carried out by the independent valuation expert. The Board of Trustees may have a new valuation of the real estate carried out. If there have been any significant changes since the last valuation, this must be carried out before the net asset value is calculated. The net assets and the net asset value of an entitlement are calculated at least quarterly on March 31, June 30, September 30, and December 31 of each fiscal year. When new claims are issued, the value per claim is calculated in the first half of the quarter (by February 15, May 15, August 15, November 15) retroactively using the value at the end of the previous quarter and in the second half of the quarter (from February 16, May 16, August 16, November 16) using the value at the end of the current quarter.

6.4 Issue, assignment and redemption

The issue price corresponds to the net asset value per entitlement, plus an issue commission, the amount of which is determined by the management. The management of the Foundation is responsible for the issue and redemption of entitlements.

Entitlements can be issued at any time and can be done on an ongoing basis. As a rule, they are issued in tranches, whereby the management determines the number of new entitlements to be issued, the allocation method in the event of oversubscription, the time of issue and the closing and value date.

Orders for the subscription of claims must be submitted in writing. The management publishes the relevant date in a suitable form in good time. The rights and obligations of the parties arising from capital commitments are set out in detail in writing in the agreement on capital commitments (subscription certificate).

Due to a lack of investment opportunities, the investment group may be temporarily closed for subscriptions.

The assignment of claims is permitted with the consent of the Board of Trustees. The Board of Trustees has delegated this authority to the Management Board. Consent may be refused without stating reasons. Claims may be assigned by way of cession.

During the three-year build-up phase of the investment group, the entitlements cannot be redeemed (the minimum holding period is three years). Thereafter, investors may request the redemption of all or part of their entitlements at the end of a financial year, for the first time at the end of 2027, subject to a notice period of 12 months. Once redemption requests have been submitted, they can no longer be withdrawn.

All redemption requests received during a notice period are treated equally. The Management Board may grant the redemption of claims in deviation from the notice period or the redemption date, provided that a reallocation to other investors is possible. In doing so, it shall observe the principle of equal treatment of investors.

In the event of extraordinary circumstances, in particular liquidity bottlenecks due to investments that are difficult to liquidate, the redemption of claims may be postponed for up to 24 months. The authority to defer redemptions lies with the Management Board. The redemption price corresponds to the net asset value per entitlement at the time of redemption less the redemption commission. The difference between the net asset value and the redemption price is credited to the corresponding investment group.

6.5 Accumulation

The annual net income of the LIVING investment group is generally reinvested on an ongoing basis (reinvestment). The Board of Trustees may determine that the annual net income is distributed to the investors regularly or exceptionally in accordance with the entitlements. If income is distributed, the Board of Trustees determines the amount of the distribution, whereby it is free to pay out a share of the capital value in addition to the net income.

6.6 Capital commitment and capital call

Investors in the LIVING investment group undertake to make an irrevocable capital payment (capital commitment) to the LIVING investment group for a fixed amount. For this purpose, each investor must submit a written capital commitment. In doing so, they irrevocably undertake to service the capital calls on time. The capital commitment is valid for 24 months from receipt of the subscription notification. The management decides on the call of capital commitments.

Capital commitments can be called up by the Foundation within the framework of the respective capital commitment, subject to a specified deadline. In the event of default, default interest must be paid, whereby the interest rate is calculated by adding Saron for one month and 200 basis points but is at least 2%. The default continues until the investor subsequently makes his capital commitment. If the delay lasts for 30 days, the Board of Trustees may cancel the call. In the event of cancellation, the defaulting investor's right and obligation to participate in the capital call in question shall lapse. However, he remains obliged to pay the default interest accrued up to the time of cancellation as well as a contractual penalty of 5% of the cancelled capital call.

The Foundation reserves rights in the contract on capital commitments (subscription certificate) to take action against defaulting debtors in the interests of the investment group. This includes the option of forcibly withdrawing the claims of the defaulting investor at a discount and/or transferring them to other investors together with the open capital commitment.

7 Tax regulations

As the foundation operates exclusively for occupational pension investors, it is exempt from federal, cantonal and municipal direct taxes (Art. 80 para. 2 of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982 [BVG] in conjunction with Art. 23 para. 1 lit. d of the Federal Law on the Harmonization of Direct Taxation of Cantons and Municipalities of December 14, 1990 [StHG]). Art. 23 para. 1 lit. d of the

Federal Act on the Harmonization of Direct Taxes of the Cantons and Communes of 14 December 1990 [StHG]). However, property taxes, real estate taxes and wealth transfer taxes, in particular real estate gains and property transfer taxes (Art. 80 para. 3 and 4 BVG) will still apply.

8 Fee model

8.1 Commission at the expense of investors

1. The Foundation charges issue and redemption commissions on newly issued and redeemed entitlements in favor of the LIVING investment group in order to protect the entitlements of other investors from dilution. A portion of the issue commission (up to a maximum of 0.5% of the net asset value of the issued entitlements) can be used for expenses in connection with distribution.
2. For the initial issue of the LIVING investment group, no issue commission will be charged for existing investors in the SDR investment group. For all other investors, the issue commission for the first issue is 0.75%. From the second issue of the LIVING investment group, the maximum issue commission rate for existing investors is 1% of the net asset value of the entitlements issued and for first-time investors 2% of the net asset value of the entitlements issued.
3. The maximum redemption commission rate is 2.5% of the net asset value of the redeemed entitlements. During the first three years after the launch of the LIVING investment group, the maximum rate of the redemption commission applies.
4. The rates of issue and redemption commission to be applied in each case shall be determined by the Management Board, taking into account the actual circumstances. The Management Board is authorized to decide on the payment of distribution commission to third parties.
5. The Management Board observes the principle of equal treatment of investors when setting issue and redemption commissions.
6. Large investors may receive preferential treatment for new issues of entitlements. If an investor has subscribed for more than CHF 50 million in a single issue or more than CHF 100 million in several issues, up to a maximum of 0.2% of the issue commission will be refunded

to the investor for subscriptions in subsequent issues after payment has been made.

8.2 Remuneration charged to the investment group

1. The Foundation charges the investment assets of the LIVING investment group an all-in fee in favor of the core assets amounting to a maximum of 0.90% of the liquidity-adjusted net assets of the investment group. The rates actually applied are published in the Foundation's annual report.

The remuneration also includes the following expenses in particular:

- a. the costs of the investors' meeting;
 - b. the costs of the audit;
 - c. the fees of the custodian bank;
 - d. the costs of printing the annual reports;
 - e. the supervisory fees of the OAK BV;
 - f. the remuneration to the managing company;
 - g. the fees of the members of the Board of Trustees;
 - h. the fees of the members of any commissions, specialist committees and working groups appointed by the Board of Trustees, unless they are appointed for individual investment groups;
 - i. the costs of property valuations for unrealized transactions;
 - j. the costs of services outsourced to third parties; and
 - k. the costs of any extraordinary dispositions that may become necessary in the interests of all investors.
2. The calculation of the remuneration is based on the arithmetic mean of the respective liquidity-adjusted total assets of the investment group at the end of each quarter of the financial year.
 3. The remuneration is charged in four installments on the last working day of each quarter. The basis for the charge in the first three quarters is the average of the liquidity-adjusted total assets of the investment group at the end of the previous quarters of the financial year. The charge for the last quarter is based on the calculation in accordance with section 2 above, reduced by the three quarterly payments already made.

8.3 Transaction fee

1. For the purchase and sale of investment properties, the Foundation charges the investment group LIVING a transaction fee amounting to a maximum of 2.0% of the notarized purchase or sale price to compensate, among other things, the expenses of the managing company Seraina Invest AG. No transaction fee is charged for transfers of investment properties from one of the Foundation's investment groups to another.
2. The transaction fee covers the expenses of the persons entrusted with management and administration for the purchase and sale of investment properties.
3. The ancillary costs resulting from the purchase and sale of investment properties, such as notary and land registry fees, the costs of property valuations and taxes, are charged to the LIVING investment group in addition to the transaction fee.

8.4 Client representation fee

1. The Foundation charges the LIVING investment group a client representation fee for the expenses associated with client representation amounting to a maximum of 3.0% of the investment costs associated with the construction, thereby compensating the expenses of the managing company Seraina Invest AG, among other things. The rates actually applied are published in the Foundation's annual report.
2. The purchase price for the property or the purchase price for the building right to the property and the ancillary purchase costs are not included in the investment costs associated with the construction.

8.5 Property management, initial letting and re-letting fee

1. The Foundation charges a property management fee to the investment assets of the LIVING investment group in the amount of the effective costs of property management, up to a maximum of 4.25% (plus VAT) of the annual actual net rental income, thereby compensating the expenses of the managing company Seraina Invest AG, among other things.
2. The Foundation charges an initial rental fee to the assets of the LIVING investment group in the amount of the effective costs of the initial

rental, but no more than 10% (plus VAT) of the average annual rent for each rental agreement concluded, thereby compensating the expenses of the managing company Seraina Invest AG, among other things. In the case of graduated rents, the average annual rent for the first three years is decisive.

3. The Foundation charges a re-letting fee to the investment assets of the LIVING investment group for the conclusion of rental agreements that account for 15% or more of the total net rental income of an investment property from and thus compensates the expenses of the managing company Seraina Invest AG, among other things. The amount of the effective costs of re-letting is charged as a re-letting fee, up to a maximum of 10% (plus VAT) of the average annual rent for each rental agreement concluded.

9 Risk warnings

The price at which claims can be redeemed depends, among other things, on how the real estate portfolio of the LIVING investment group performs. In the event of extremely unfavorable developments, there may be a risk of partial or even complete loss of the capital invested by the investor.

The risks described below are not the only ones that are relevant to the business activities of the LIVING investment group. The order in which the risks mentioned in this prospectus are listed is arbitrary and says nothing about their weighting in terms of probability of occurrence or impact. Additional risks that are not yet known or are not currently considered relevant may also have an impact on business activities. Each of these risks may have a negative impact on the business activity, the financial situation or the profitability of the investment group.

The following risks exist, for example:

9.1 Market-related risks

The LIVING investment group is subject to general **economic conditions** such as the economy, economic growth and inflation. A deterioration in the economic environment may cause demand for residential space and rental space to decline at any

time. As a result, both rental income and income from disposals may fall, which may have a negative impact on the business, earnings and financial position of the LIVING investment group.

The LIVING investment group may leverage the investments made within the scope of the maximum loan-to-value ratio applicable to the LIVING investment group. Ideally, debt financing can increase the return for investors (positive leverage effect). On the other hand, debt financing can increase the risk (and thus a potential loss) for investors (negative leverage effect).

Changes in capital market interest rates have a direct impact on mortgage interest and discount rates. These in turn can have a direct impact on financing costs, the development of rental income and the value of the properties in the LIVING investment group.

The real estate market is subject to **location-specific factors**, meaning that the performance of properties can vary greatly depending on location. The location factors in a region can deteriorate significantly over time, for example due to a crisis in an industry that is heavily concentrated in a region, and thus have a negative impact on the performance of real estate. Furthermore, **regulatory requirements as well as environmental and infrastructure factors** in the immediate or wider vicinity of a property can cause the value and yield of this property to fall because the property can no longer be let or can no longer be let on the same terms or substantial investments have to be made to ensure its use or to enable a sale.

The real estate market is subject to cyclical **fluctuations in supply and demand**. For example, the realization of new construction projects can lead to a sharp increase in the supply of rental space in certain locations, resulting in an oversupply of rental space or marketable properties. In particular, oversupply of residential and commercial properties can lead to a reduction in rental income and property prices or valuations. The behavior of the various investors in the real estate market is unpredictable. This can lead to **national or regional oversupply of** commercial or residential properties, reduce rental income and thus have a negative impact on the value of the LIVING investment group. A sudden rise in the general interest rate

level or an overhang of rental space can lead to a collapse in real estate prices, which in turn can have a negative impact on the business, earnings and financial position of the LIVING investment group.

Demand for residential and commercial real estate is influenced by other factors outside the Foundation's sphere of influence (e.g. **migration, Switzerland's relationship with the EU and Switzerland's attractiveness as a business location**). In recent years, net immigration to Switzerland in particular has been a determining factor in the demand for residential space and Switzerland has been attractive as a business location. A change in these factors, whether for economic reasons or due to a change in the political environment, could have a negative impact on the business, financial and earnings situation of the LIVING investment group, particularly in conjunction with the current generally very strong construction activity.

The Swiss real estate market is characterized by **limited liquidity**. This can have a negative impact on real estate prices under certain circumstances. Depending on the market situation, the short-term purchase or sale of real estate may be impossible or only possible with large price mark-ups, which may have a negative impact on the business, financial and earnings situation of the LIVING investment group. In addition, a lack of or insufficient sales opportunities may result in the redemption of claims being postponed for up to 24 months.

9.2 Investment-related risks

Delays and cost overruns can occur when investing in building land and construction projects. This can be caused by regulatory changes, official requirements, conditions and interventions, objections from third parties and problems in planning and realization. Furthermore, **defects**, such as improper construction or construction errors, which can cause unexpected and above-average maintenance or renovation costs, can have a negative impact on income. Problems with the letting and sale of newly constructed properties or corresponding condominium units can also result in corresponding losses of income.

The LIVING investment group invests its assets in real estate in mint condition. The investment group may also invest in construction projects with a legally valid building permit. In doing so, it endeavors to minimize any **construction risks** as far as possible by concluding corresponding agreements with total contractors. These typically provide for payments that are linked to the progress of construction. The LIVING investment group also tries to obtain performance guarantees. In connection with these activities, **delays, construction cost overruns, non-fulfilment of construction services, defective services, builder's liens** and all associated financial **default risks** and **additional costs** may nevertheless arise. There is also a risk that no suitable user or buyer can be found after the project development has been completed or the new construction or conversion projects have been realized. All these factors can have a negative impact on the business, earnings and financial position of the SDR investment group.

The valuation of real estate investments is always based on a certain degree of subjectivity on the part of the valuation experts. The values of the properties determined as at the reporting date and verified by the valuation experts and their assistants may therefore differ from the price to be achieved when the property is sold, as the sale price is based on supply and demand at the time of sale.

Properties are checked for **environmental risks** before construction or acquisition. If deemed acceptable, these risks are included in the calculation of prices. However, it cannot be ruled out that contaminated sites or unforeseen remediation costs may have a negative impact on the assets of the Seraina Investment Foundation and the net asset value of the LIVING investment group.

Taking the **sustainability strategy** into account can lead to increased maintenance investments. When assessing an investment, the weighting of ESG factors is not based exclusively on quantitative but also on qualitative assessments. A certain degree of subjectivity and discretion is therefore unavoidable in the assessment. Energy consumption data is obtained from the commissioned property managers and other third-party providers. As

a result, there is a certain dependency on the quality and punctuality of this data. Despite appropriate control processes, a certain susceptibility to errors or reduced data coverage during a reporting period cannot be completely ruled out.

Future changes to cantonal, national and international laws and other regulations may have an impact on real estate prices, operating and construction costs and income, and thus on the business result and value of the LIVING investment group. The LIVING investment group is particularly dependent on federal, cantonal and communal regulations in the areas of tax, rental, spatial planning, construction and environmental protection law. It cannot be ruled out that **changes in the regulatory environment** will have a negative impact on the business, earnings and financial situation of the LIVING investment group.

9.3 Organizational risks

The Foundation has outsourced management to Seraina Invest AG on the basis of a management and administration agreement. However, the assets are managed by the Foundation itself. The Foundation's Board of Trustees appoints the persons responsible for the management of the Foundation and may request that they be replaced. Seraina Invest Ltd. assures the Foundation that it will avoid any conflicts of interest and take the necessary measures to ensure that the interests of the investors are protected. The Board of Trustees of the Foundation is responsible for the ongoing monitoring of the management and ensures regular reporting by Seraina Invest Ltd. Comprehensive monitoring and control by the Foundation is ensured by granting the Board of Trustees of the Foundation a comprehensive right of inspection, instruction and control vis-à-vis Seraina Invest Ltd. at all times. As an additional control measure, the Board of Trustees has the right to designate one of its members as a permanent observer at meetings of the Board of Directors of Seraina Invest Ltd. Seraina Invest Ltd. is obliged to work exclusively with the Foundation for five years in connection with the launch of investment groups of investment foundations for real estate and construction projects. Termination of the management and administration agreement is possible in 2027 at the earliest with a notice period of 12

months to the end of a calendar year. Termination without observing the notice period is possible if one of the parties is in serious breach of its contractual obligations or if it is otherwise unreasonable for one of the parties.

10 ESG rating from Wüest Partner AG

10.1 Automated ESG rating

Wüest Partner AG's ESG rating assesses the sustainability of a location and/or a building. There are sub-ratings for the areas of environment, social and governance for both locations and buildings. The sub-ratings then lead to an overall ESG rating.

There are currently a total of 65 indicators for 20 criteria. The location rating compares the selected location with the entire Swiss building stock. A sample of 100,000 locations in Switzerland serves as a benchmark. The building rating compares investment properties. A sample of over 6,000 investment properties in Switzerland serves as a benchmark.

10.2 Criteria and indicators

There are different criteria for the various areas of environment, social and governance with regard to location and building, which are taken into account when preparing the ESG rating.

The criteria taken into account at location level as of June 2023 are as follows:

- **Environment:** climate change, greening and inaccessibility, mobility, and resource consumption;
- **Social:** Health, safety and natural hazards, socio-economic structure, building stock and recreational areas;
- **Governance:** real estate market, renewable energies and spatial planning.

The criteria taken into account at building level are as follows:

- **Environment:** Energy consumption¹, mobility, resources, and space efficiency;
- **Social:** user-friendliness and renting;

- **Governance:** job description, status and certificates.

The current total of 20 criteria combine several indicators (currently 65 in total).

The indicators are classified and can have a positive or negative influence on the rating. The classification system is based on letters, with the classification "A" being the best and the classification "E" the worst (A = good, E = bad).

The various environmental, social and governance areas are also weighted differently when calculating the rating.

Current weighting of the areas in the location rating:

- Environment: 40%
- Social 40%
- Governance: 20%

Current weighting of the areas in the building rating:

- Environment: 40%
- Social 30%
- Governance: 30%

The overall rating is made up of the ratings for environment, social and governance, which are based on the classification of the individual indicators. A rating of 3 represents the average for Switzerland as a whole.

Wüest Partner AG can make adjustments to the criteria and indicators at any time.

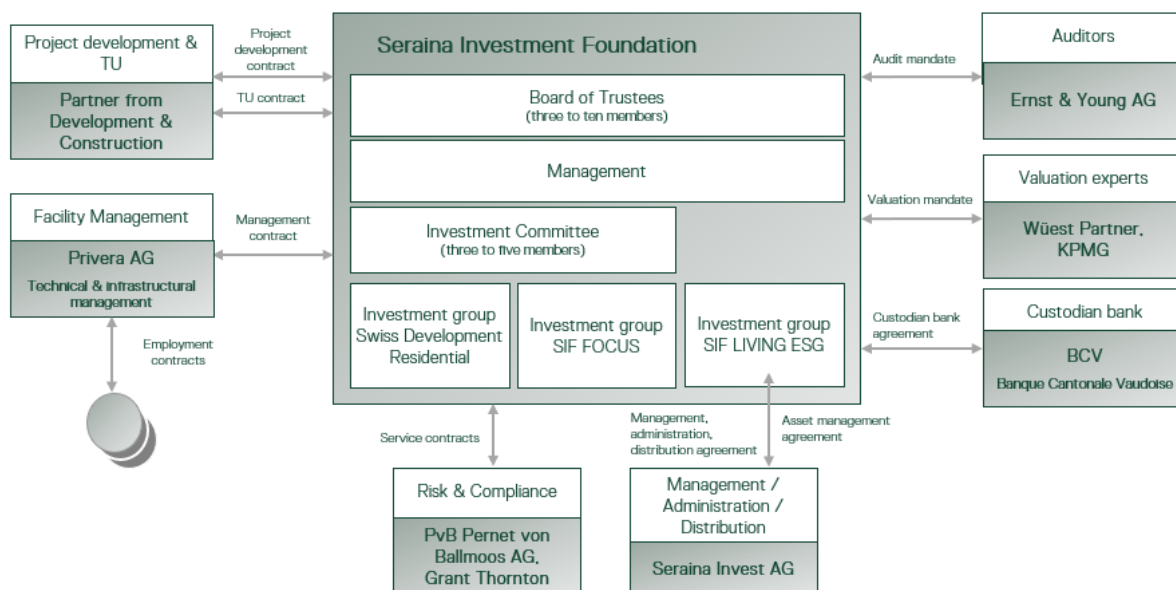
¹ The indicators for this criterion are e.g.: Heating system, roof, façade, windows.

11 Annex

Graphic overview of the organization

Seraina Investment Foundation

Overview of persons and bodies involved and contractual structures.



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