

4th of July 2024

Seraina Investment Foundation

Prospectus of the investment group
Swiss Development Residential

The German version of this document is binding.

The information contained in this prospectus is based on the articles of association, the foundation regulations and the special regulations (e.g. investment and financing guidelines) of Seraina Investment Foundation (the "**Foundation**"), the issuer of the "Swiss Development Residential" ("**SDR**") 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 any amendments thereto shall 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 SDR investment group is a real estate investment group that invests exclusively in construction projects within the meaning of Art. 27 para. 3 ASV. It invests its funds exclusively in building land, buildings under construction and properties in need of renovation with predominantly (future) residential use. This also includes non-profit apartments and qualified forms of housing such as retirement and student housing. In addition, construction projects without predominantly residential use (i.e. commercial use) are also permitted up to a maximum of 30% of the SDR investment group's assets. The SDR investment group may retain or sell the completed construction projects as existing properties.

This prospectus forms the basis for the issue and redemption of entitlements to the SDR investment group and for the acquisition of existing entitlements to the SDR investment group by way of assignment.

This prospectus replaces the previous prospectus of the Foundation for the SDR investment group dated May 2022.

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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 carries out 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 an important role in the success of the investment.

4 Investment focus and investment strategy

4.1 Real estate development

The Foundation offers its investors the opportunity to invest directly in real estate development projects during various phases. Real estate development projects generally comprise the following phases:

1. Acquisition of building land (with or without neighborhood/design plan);
2. Project development (until a building permit is obtained);
3. Project realization (construction and initial letting or sale of condominiums and/or entire multi-party investment properties for rent);
4. If applicable, real estate management (rental / administration / maintenance);

5. Refurbishment / renovation / conversion etc. of suitable properties.

Many institutional investors want access to real estate with attractive yield expectations and are prepared to invest at an earlier stage, i.e. when acquiring the building land and in the project development phase or in the renovation, refurbishment, or conversion phase. Here, it is regularly possible to enter the market at more attractive yields than with existing properties, as the number of potential buyers is still limited. As the investment risk is greater in these phases and the capital is tied up in the long term due to the multi-year project cycle, investors may consider investment groups of an investment foundation with a specific focus on development projects, such as the Swiss Development Residential investment group, as an addition to their investment strategy.

4.2 Investments in construction projects

The SDR investment group invests directly or via wholly owned subsidiaries in construction and real estate development projects in the metropolitan areas and conurbations of Switzerland. Investments may be made directly in land. The SDR investment group is also permitted to invest in real estate development projects that are only in the planning stage, provided that detailed market clarifications and feasibility studies have shown that the conditions for obtaining the necessary permits are met and that the prospects for the realization of the construction project are promising.

The economic objective is to generate an appropriate return with the investment capital of the SDR investment group by investing in real estate developments and properties with conversion and/or renovation potential. The assets of the SDR investment group are mainly invested in construction projects for properties with predominantly (future) residential use. This also includes non-profit apartments and qualified forms of housing such as retirement and student housing. However, to a lesser extent, construction projects for 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 SDR investment group is the successful development and flawless management of the real estate development vehicle in the interests of the investors. An appropriate fee policy is applied for infrastructure, professional management and appropriate administration of investments and investment funds. The financial objective of the foundation is to achieve a stable and risk-adjusted investment return for investors.

4.3 Investment and financing guidelines for the SDR investment group

The investment and financing guidelines for the SDR 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 SDR investment group is a real estate investment group that invests exclusively in construction projects within the meaning of Art. 27 para. 3 ASV. The Foundation reserves the right to invest some of the SDR investment group's assets in cash investments for liquidity management purposes. Completed construction projects can be sold by the SDR investment group or retained as portfolio properties.

The complete investment and financing guidelines of the SDR investment group are as follows:

Part One: General Investment Guidelines

1. The investment assets of the Swiss Development Residential investment group (hereinafter referred to as the "SDR investment group") are invested in accordance with the criteria of security, income, and liquidity. The Foundation pursues an investment strategy geared towards stability with sustainable returns and continuous value creation potential.

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.
5. The SDR investment group may retain or sell the completed construction projects as portfolio properties.
6. The SDR investment group may change its investment focus at any time by resolution of the Board of Trustees so that it becomes a traditional real estate investment group. However, this is subject to the SDR investment group fulfilling the investment restrictions of Art. 27 para. 3 ASV at the time of this change.

Part Two: Special investment guidelines

Artikel 1 Investment focus

1. The SDR investment group is a real estate investment group that invests exclusively in construction projects within the meaning of Art. 27 para. 3 ASV. It invests its funds exclusively in building land, buildings under construction and properties in need of renovation (hereinafter "construction projects" or "investment properties").
2. The SDR investment group invests its funds primarily in construction projects with (future) predominantly residential use. This also includes 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 (joint, "commercial use") are permitted as construction projects without predominantly residential use.
3. The SDR investment group invests its funds throughout Switzerland. The assets of the SDR investment group are distributed appropriately according to region and location.
4. Criteria for the selection of construction projects are the attractiveness of the location, accessibility by public transport, location development, economic and demographic developments, rental, and sales opportunities, yield to be generated and existing potential for increases in value and income.
5. 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.
6. 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

Artikel 2 Permitted installations

1. The SDR investment group invests its funds in investment properties that meet the requirements set out in Art. 1. All investment decisions are preceded by a careful examination of various parameters (financial, legal, tax, technical and environmental).
2. Construction projects are deemed to be construction projects (see Art. 27 para. 3 ASV):
 - a. Building land acquired for the realization of own building projects, provided that the building land is located in the building zone, is developed from a building law perspective and is suitable for immediate development, whereby the necessary permits can also be obtained after acquisition if detailed market clarifications and feasibility studies have shown that the requirements for obtaining the permits are met and the prospects for the realization of the building project are promising;
 - b. buildings under construction; and
 - c. properties in need of renovation where a thorough renovation or renewal of components, building sections or the entire building is pending and whose acquisition serves to realize the Foundation's own construction projects. Properties in need of renovation may still be used as intended at the time of acquisition, provided that the Foundation acquires the investment property with the intention of a subsequent thorough repair or renovation of components, building sections or the entire building, namely for the purposes of conversion, modernization and/or densification.
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. 3 lit. b) may not account for more than 30% of the assets of the SDR 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 SDR investment group.
3. The market value of an investment property does not exceed 15% of the assets of the SDR investment group. Housing estates built according to the same construction principles and adjoining plots of land are deemed to be a single investment property.
4. The proportion of investment properties with residential use is between 70% and 100% of the SDR investment group's assets. The proportion of investment properties with commercial use is limited to a maximum of 30% of the SDR investment group's assets. The share of qualified residential forms in the total assets of the SDR investment group is limited to a maximum of 50%.
5. Construction projects for individual detached houses and villas are not permitted as facilities.

Artikel 4 Borrowing and pledging

6. The SDR investment group may pledge investment objects.
7. The loan-to-value ratio may not exceed one third of the market value of all investment properties held by the SDR investment group directly 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.
8. 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 SDR 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 SDR investment group).
3. The Foundation may grant loans to the subsidiaries in the name and for the account of the SDR investment group.
4. The Foundation may issue guarantees or enter into sureties for the subsidiaries in the name and for the account of the SDR investment group, provided that these are limited to the assets of the SDR investment group. The guarantees and sureties may not exceed the total amount of the liquid assets of the SDR investment group or 5% of the assets of the SDR 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 SDR 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).

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 regularly to both the Board of Trustees and the Investment Committee, and immediately in the event of exceptional circumstances. In particular, the management is responsible for the careful monitoring and supervision of construction projects.

The Board of Trustees has appointed an **Investment Committee** for the SDR investment group. The Investment Committee consists of a minimum of three and a maximum of five members. The members are elected by the Board of Trustees. The Investment Committee decides on the investment of assets within the framework of the investment and financing guidelines, in particular on the acquisition, development, pledging and sale of properties. In particular, it is responsible for the careful selection of construction projects. The Investment Committee may be responsible for more than one investment group.

The Board of Trustees may appoint further **commissions, specialist committees and working groups** to advise it and provide it with specialist support and to work on 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 section 0.

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 von Ballmoos AG. It ensures that all significant risks for the Foundation are recorded, limited and monitored. PVB Pernet von Ballmoos AG 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/>). Additional investor information is also available in the protected area of the website.

5.4 Avoidance of conflicts of interest

If, during the decision-making process on transactions and matters, a member of the Board of Trustees or the Investment Committee 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**, Ernst & Young 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 when new investment groups (namely real estate investment groups in construction projects) are launched, they can be closed and limited in time by the Board of Trustees, the SDR investment group has an open structure and no end date (*evergreen structure*).

The Management 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 a claim is measured according to the respective net assets of the investment group concerned on the valuation date, divided by the number of claims 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 measured on the basis of the most recent valuation carried out by the independent valuation expert less the costs likely to be incurred in the event of liquidation of the real estate investments. The Board of Trustees may have the real estate revalued. 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.

Investors may request the redemption of all or part of their entitlements at the end of a financial year, subject to a notice period of 18 months. Once submitted, redemption requests 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 SDR 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

The investors in the SDR investment group undertake to make an irrevocable capital payment (capital commitment) to the SDR 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 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 direct federal, cantonal and municipal 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 SDR 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 entitlements issued) may be used for expenses in connection with distribution.
2. The minimum issue and redemption commission rate is 1.0% of the net asset value of the rights issued or redeemed.
3. The maximum issue commission rate is 2% and the maximum redemption commission rate is 7% of the net asset value of the rights issued or redeemed.
4. In the event of reallocations of claims the above percentages do not apply.
5. The rates of issue and redemption commission to be applied in each case are determined by the management, taking into account the actual circumstances. Among other things, the respective construction progress of the portfolio is taken into account in the management's assessment. The Management Board is also authorized to decide on the payment of sales commission to third parties.
6. The Management Board observes the principle of equal treatment of investors when setting issue and redemption commissions.
7. Large investors may receive preferential treatment for new issues of entitlements. If an investor has subscribed more than CHF 50 million in a single issue or more than CHF 100 million in total 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 SDR investment group an all-in fee in favor of the core assets amounting to a maximum of 0.95 % of the liquidity-adjusted total 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 and the Investment Committee;
 - 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 instalments 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 SDR investment group a transaction fee amounting to a maximum of 1.75% of the notarized purchase or sale price. 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 SDR investment group in addition to the transaction fee.

8.4 Development fee

1. The Foundation charges a development fee to the fixed assets of the SDR investment group to cover the costs of developing the construction projects.
2. The development fee for construction projects amounts to a certain percentage of the total contractor price or the construction costs. The specific percentage is either dependent on the annualized return on equity of the project in the project development and construction period or a fixed flat rate is applied. If an annualized return on equity is applied, the development fee is between 8% and a maximum of 15%. If a fixed flat rate is applied, this may not exceed 8%.

8.5 Client representation fee

1. For the expenses associated with client representation, the Foundation charges the SDR investment group a client representation fee amounting to a maximum of 2.0% of the investment costs associated with the construction. 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.

8.6 Property management, initial letting and re-letting fee

1. The Foundation charges a property management fee to the assets of the SDR investment group in the amount of the actual costs of property management, up to a maximum of 4.25% (plus VAT) of the annual actual net rental income.
2. The Foundation charges an initial rental fee to the assets of the SDR investment group in the amount of the effective costs of the initial rental, up to a maximum of 10% (plus VAT) of the average annual rent for each rental agreement concluded. 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 assets of the SDR investment group for the conclusion of rental agreements that account for 15% or more of the total net rental income of an investment property. 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 SDR investment group's real estate portfolio 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 SDR investment group. The order in which the risks mentioned in this prospectus are listed is arbitrary and does not imply any 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 SDR 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 SDR investment group.

The SDR investment group may leverage the investments made within the scope of the maximum loan-to-value ratio applicable to the SDR investment group. Ideally, debt financing can increase the investors' return (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 SDR 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 SDR 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 situation of the SDR 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 SDR 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 concessions, which may have a negative impact on the business, financial and earnings situation of the SDR 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 SDR investment group invests its assets in building land, project developments, new construction projects and properties in need of renovation. 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 work. The SDR investment group also tries to obtain performance guarantees. In connection with these activities, **delays, construction cost overruns, non-performance of construction services, defective services, builder's liens** and all associated financial **default risks** and **additional costs** may nevertheless arise. There is also the 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. Project developments and construction projects also require substantial investments by the SDR investment group, which only generate income after a certain period of time. There is no guarantee that income or income in the expected amount can actually be generated. All of these factors can have a negative impact on the business, earnings and financial situation of the SDR investment group.

The valuation of real estate investments is always subject to 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 SDR investment group.

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 results and value of the SDR investment group. In particular, the SDR investment group is 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 SDR 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

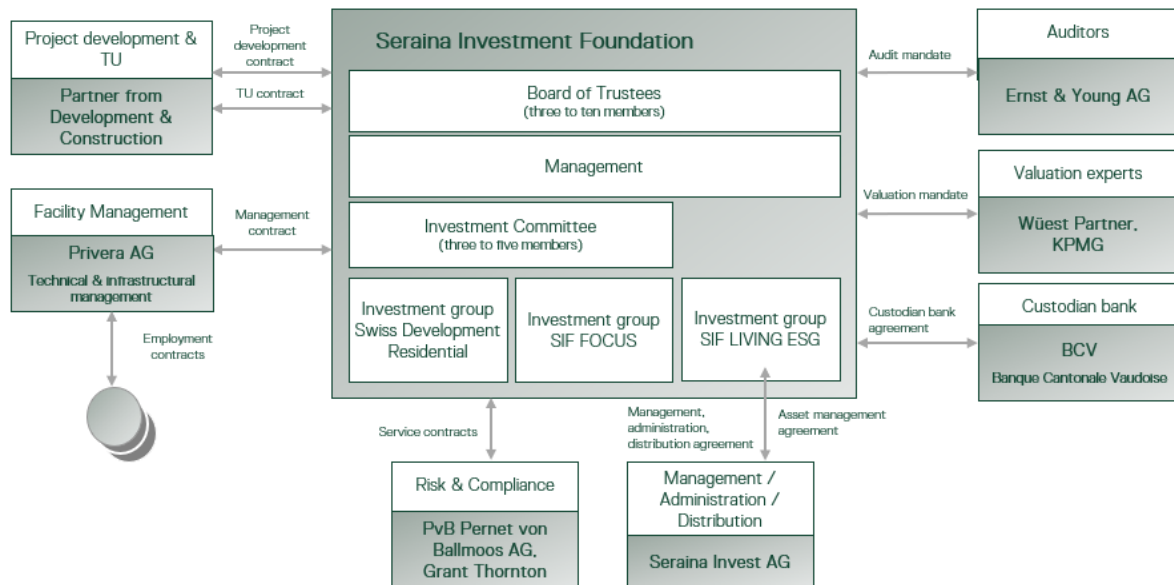
one of the parties is in serious breach of its contractual obligations or if it is otherwise unreasonable for one of the parties.

10 Annex

Graphic overview of the organization

Seraina Investment Foundation

Overview of persons and bodies involved and contractual structures



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