Swiss Life Investment Foundation

Investment Guidelines (as at ~~01.10.2021~~01.01.2022)

General

Based on Art. 10 of the Articles of Association of Swiss Life Investment Foundation (hereinafter the foundation), the Board of Trustees issues the following investment guidelines.

- Date of decision: ~~9 September 2021~~8 December 2021
- Effective date of this version: ~~1 October 2021~~1 January 2022
- The investment guidelines may be amended by the Board of Trustees at any time. Investors will be notified of any amendments in an appropriate and timely manner.

Art. 15 Equities Global ESG

1. The investment group's assets are invested globally in equity securities of companies whereby environmental, social and governance (ESG) criteria are systematically taken into account in the investment process. Companies are selected or excluded by means of both positive and negative screening. For example, companies with an ESG rating of CCC and a red controversy flag according to the MSCI methodology are excluded, if they have no active stewardship. In addition, producers of controversial weapons, companies that generate more than 10% of earnings from thermal coal, companies from countries that are blacklisted by the FATF (Financial Action Task Force) as well as companies that are on the UN Global Compact Failure list (if they have no active stewardship) are also excluded. Furthermore, up to 35% of capital assets are invested in dedicated impact strategies comprising investments in companies that contribute to the achievement of various United Nations Sustainable Development Goals.
2. Investment style: active approach
3. A maximum of 5% of assets may be invested in equity securities from the same company.
4. Equity securities are held from a minimum of 250 different companies
5. The investment group can invest exclusively in collective investments. As a rule, this is subject to an individual limit of 20 %, with the exception of collective investment instruments launched by a Swiss investment foundation or supervised by FINMA or approved by FINMA for distribution in Switzerland. In addition, the share of a foreign collective investment scheme may amount to more than 20% of the investment group's assets, provided the investment has been approved by a foreign supervisory authority that has concluded an agreement with FINMA governing cooperation and the exchange of information (Art. 120 cl. 2 let. e CISA). Fund of funds products are also permitted, provided they do not, in turn, include any fund of funds products. The collective investments must comply with these investment guidelines.

Art. 26 Real Estate Europe Industry and Logistics ESG (CHF)

1. The investment group's assets will be invested in European industrial and logistics properties via a collective investment scheme (target fund); mixed-use properties (such as industrial and logistics properties with a small share of residential or commercial tenants) are also possible. The following are considered industrial and logistics properties:
   a. Industrial properties, i.e. mixed-use commercial properties that typically have a medium-sized tenant structure. In this case the types of use include, in particular, production, warehouses, offices, research and services;
   b. Logistics properties used to store, pick and distribute goods. They are typically at least 10 000 m2 and have very few offices. Deviations from the minimum size are possible, especially in the case of city/last mile logistics.
2. The investment group makes investments via the target fund in accordance with ~~points~~1 a) and b) above; in doing so, it aims for the following distribution of use types:
   - Industrial properties: 40 – 60%
   - Logistics properties: 40 – 60%
3. The investment group invests in European industrial and logistics properties indirectly via the target fund, with an appropriate risk distribution in terms of countries, regions and locations. The investment group aims for the following country distribution:
   - Germany: 10 – 50%
   - France: 10 – 50%
   - Benelux: 5 – 25%
   - UK: 0 – 30%
   - Switzerland: 0 – 20%
   - Other: 0 – 20%
4. The sole purpose of the collective investment scheme (target fund) is the purchase, sale, development, letting or leasing of own industrial and logistics properties (active portfolio management).
5. The investment group aims to take appropriate account of sustainability aspects by defining the corresponding ESG criteria.
6. ~~5.~~ The share of the foreign collective investment scheme (target fund) cannot make up more than 20% of the investment group's assets, as the target fund has been authorised by a foreign supervisory authority with which FINMA has concluded an agreement in accordance with Art. 120, para. 2e of the Collective Investment Schemes Act of 23 June 2006.

~~6.~~7. The market value of an individual property held by the investment group indirectly via the target fund may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.

~~7.~~8. Building land, construction that has commenced and properties in need of renovation that are held by the investment group indirectly via the target fund may not exceed a total of 30% of the investment group's assets.

~~8.~~9. Mortgaging of the properties that are held by the investment group indirectly via the target fund is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors.

~~9.~~10. In addition to the mortgaging in accordance with para. ~~8~~9, short-term borrowing that is necessary for technical reasons is permitted at the investment group level.

~~10.~~11. Holding liquidity with a term of up to 12 months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. In addition to sight and time deposits at first-class banks and the post office, money market investments may also be held. Where there is a lack of investment opportunity, the investment group may also invest in Swiss franc debt securities of debtors based in Switzerland and the EU, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an "A" rating and the average rating quality must be at least "A+". The limit of 10% may, as an exception and temporarily, be exceeded in order to settle capital calls and repayments as well as in the case of larger liquidity inflows in connection with currency hedging transactions. If there is excess liquidity at any point, it may be reimbursed to investors in cash on a pro-rata basis.

~~11.~~12. Direct investments in properties at the investment group level are not permitted.

~~12.~~13. Derivatives may only be used to hedge foreign currency risks. The investment group may only use derivative instruments in accordance with the conditions specified in Art. 56a BVV 2 and supervisory practice in this connection. The foreign currency risks are hedged with forward contracts of up to 12 months. Foreign currency forwards, swaps and futures are permitted. Investment group assets that are to be hedged must be hedged at a rate of no less than 80% in total as of the relevant valuation date. The hedge may, as an exception and temporarily, (if the existing liquidity buffer is not sufficient to provide hedging collateral) be less than 80% or, as a last resort, be dispensed with entirely. Investors are informed immediately if the hedge goes below the 80% hedging limit. As soon as the investment group regains sufficient liquidity, the hedging will be increased again.

~~13.~~14. The provisions under 2, 3, ~~6~~7 and ~~7~~8 are not binding for a maximum of up to five years following the initial issue.

Art. 27 Real Estate Europe Industry and Logistics ESG (EUR)

1. The investment group's assets will be invested in European industrial and logistics properties via a collective investment scheme (target fund); mixed-use properties (such as industrial and logistics properties with a small share of residential or commercial tenants) are also possible. The following are considered industrial and logistics properties:
   a) Industrial properties, i. e. mixed-use commercial properties that typically have a medium-sized tenant structure. In this case the types of use include, in particular, production, warehouses, offices, research and services;
   b) Logistics properties used to store, pick and distribute goods. They are typically at least 10 000 m2 and have very few offices. Deviations from the minimum size are possible, especially in the case of city/last mile logistics.
2. The investment group makes investments via the target fund in accordance with ~~points~~1 a) and b) above; in doing so, it aims for the following distribution of use types:
   - Industrial properties: 40–60%
   - Logistics properties: 40–60%
3. The investment group invests in European industrial and logistics properties indirectly via the target fund, with an appropriate risk distribution in terms of countries, regions and locations. The investment group aims for the following country distribution:
   - Germany: 10 – 50%
   - France: 10 – 50%
   - Benelux: 5 – 25%
   - UK: 0 – 30%
   - Switzerland: 0 – 20%
   - Other: 0 – 20%
4. The sole purpose of the collective investment scheme (target fund) is the purchase, sale, development, letting or leasing of own industrial and logistics properties (active portfolio management).

5. The investment group aims to take appropriate account of sustainability aspects by defining the corresponding ESG criteria.

~~5.~~6. The share of the foreign collective investment scheme (target fund) cannot make up more than 20% of the investment group's assets, as the target fund has been authorised by a foreign supervisory authority with which FINMA has concluded an agreement in accordance with Art. 120, para. 2e of the Collective Investment Schemes Act of 23 June 2006.

~~6.~~7. The market value of an individual property held by the investment group indirectly via the target fund may not exceed 15% of the investment group's assets. Developments built according to the same construction principles and adjacent plots of land count as a single property.

~~7.~~8. Building land, construction that has commenced and properties in need of renovation that are held by the investment group indirectly via the target fund may not exceed a total of 30% of the investment group's assets.

~~8.~~9. Mortgaging of the properties that are held by the investment group indirectly via the target fund is permitted. The whole real estate portfolio may be mortgaged on average up to a maximum of one third of the market value. The loan-to-value ratio can as an exception and temporarily be increased to 50%, if this is necessary for liquidity purposes and is in the interests of the investors.

~~9.~~10. In addition to the mortgaging in accordance with para. ~~8~~9, short-term borrowing that is necessary for technical reasons is permitted at the investment group level.

~~10.~~11. Holding liquidity with a term of up to 12 months is permitted at the investment group level up to a share of 10% of the total volume of the investment group. In addition to sight and time deposits at first-class banks and the post office, money market investments may also be held. Where there is a lack of investment opportunity, the investment group may invest in EUR debt securities of debtors based in the EU, with a term or remaining term of up to 12 months. A minimum requirement for acquisition is an “A” rating and the average rating quality must be at least “A+”. The 10%- quota may exceptionally and temporarily be exceeded for the purpose of pro-cessing capital calls and repayments.

~~11.~~12. Direct investments in properties at the investment group level are not permitted.

~~12.~~13. The provisions under 2, 3, ~~6~~7 and ~~7~~8 are not binding for a maximum of up to five years following the initial issue.