

Launch of the new European real estate fund on 30 November 2017

- Investment focus on properties with stable value in European metropolitan regions
- Swiss Life Ltd aims to make a substantial investment at its inception and thus remain committed to this fund over the long term
- At the launch, Swiss Life REF (CH) European Properties is to have capital of at least EUR 250 million
- A volume of over EUR 1 billion is envisaged in the medium term
- Listing on the SIX Swiss Exchange is expected in three to five years



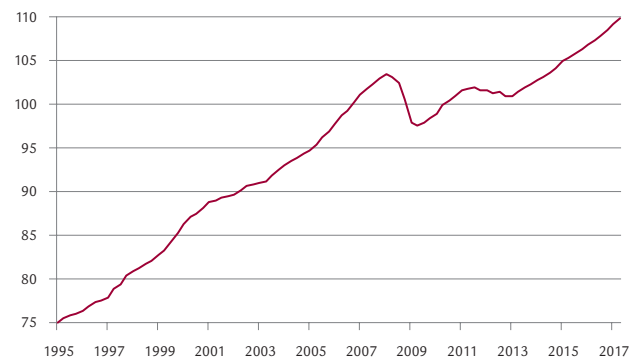
Advantages of investing in European real estate

A limited range of offerings and intense competition are making it ever more difficult for institutional investors to find attractive properties in Switzerland. Thanks to investment in European real estate, Swiss investors can significantly expand their investable universe. Investments in European real estate generate attractive returns in the current low interest rate environment. They also have a low correlation to other asset classes. Exposure to European real estate reduces the overall risk of a Swiss real estate portfolio. Other advantages include the generation of stable returns through rental income and protection against potential inflation.

Stable real estate market with a positive outlook

Economic forecasts indicate short to mid-term stable growth in Europe. We anticipate GDP growth of 2.1% in the current year and 1.4% in 2018 for all countries in the Eurozone, supported by positive leading indicators such as the Consumer Confidence and Purchasing Managers Index. Growth is increasingly widely buttressed across countries and sectors. The unemployment rate in the currency union sank from a high of 12.1% in March 2013 to 9.1% as of July 2017, its lowest level since 2009. Robust growth and declining unemployment are also in evidence in the other European economies.

Indexed GDP development in Europe (real)

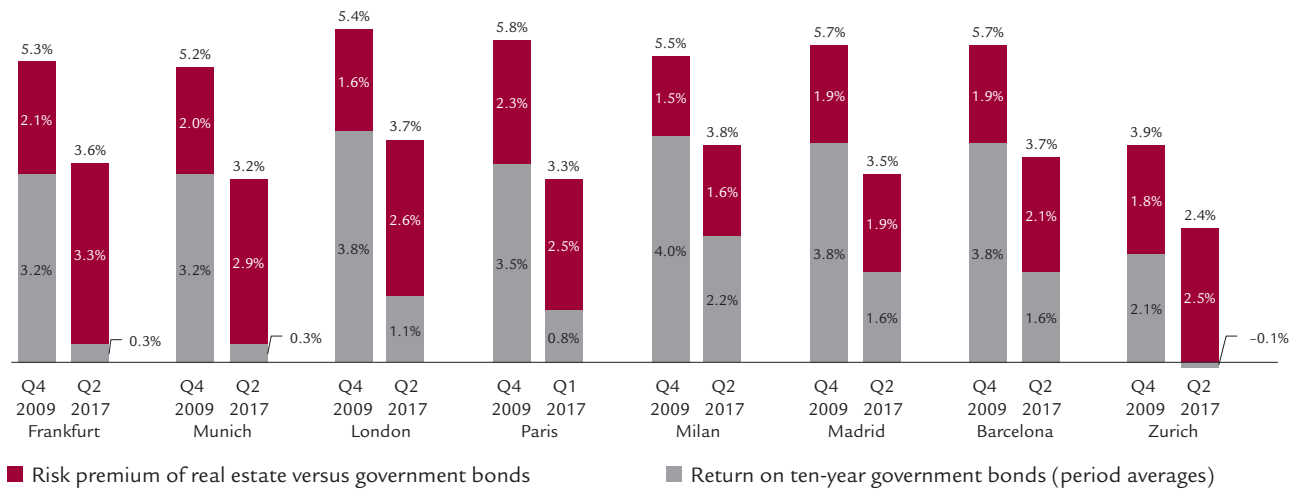


— EU: real gross domestic product (2010 = 100)

Source: Eurostat, Swiss Life Asset Managers

Economic development and the continuing low interest-rate environment are having a positive effect on the real estate market, with returns for European real estate investments set to remain mostly stable in the current market environment according to our growth forecasts. We are expecting rising rents for office and retail spaces as vacancies fall.

Risk premium on real estate investments – example of office markets (%), illustrated in terms of prime yield



Source: PMA, Wüest Partner AG, Macrobond / As at: 7.9.2017

Broadly diversified real estate portfolio

Swiss Life REF (CH) European Properties invests in European office, retail and residential real estate as well as mixed-use properties. It will focus on Core and Core+ locations in large European cities and in European regional centres and their suburbs. The geographic focus of its investments will be European core markets (Germany, France, Austria and Benelux) with a strategic target allocation between 40% and 60% of capital assets. Other key target regions are the United Kingdom (10 – 20%), Scandinavia (10 – 20%) and Southern Europe (10 – 20%). Our selection of locations will be guided primarily by the real estate market cycles, economic strength, economic forecasts and a comprehensive local property analysis.

Investment strategy

- Investments will focus on office, retail and residential real estate and mixed-use properties as well as other commercial properties
- Selection of properties located centrally (Core and Core+ locations in large European cities and regional centres and their suburbs) with a low risk profile
- Focus on commercial multi-tenant structures; commercial single tenants as long as the tenant demonstrates adequate solvency
- Diversification in relation to geographical location, type of use, size and age with a clear focus on stable-income and stable-value investments
- Optimisation of rental income and stabilisation of property values via proactive asset management (“buy and manage”)

Strategic allocation

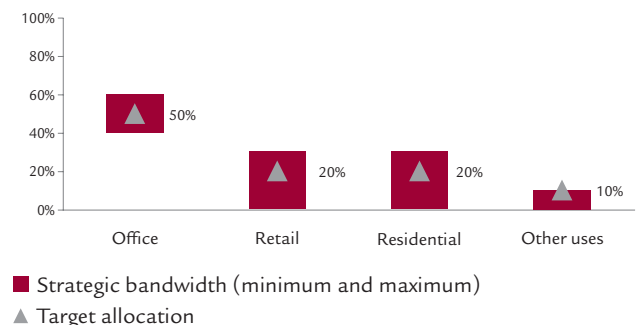
Investment with focus on Core and Core+ real estate in Europe:

- Office 40 – 60%
- Retail 0 – 30%
- Residential 0 – 30%
- Other uses 0 – 10%

Given current market conditions, a yield on distribution of around 3% in EUR are reasonable expectations for the Swiss Life REF (CH) European Properties fund.¹⁾

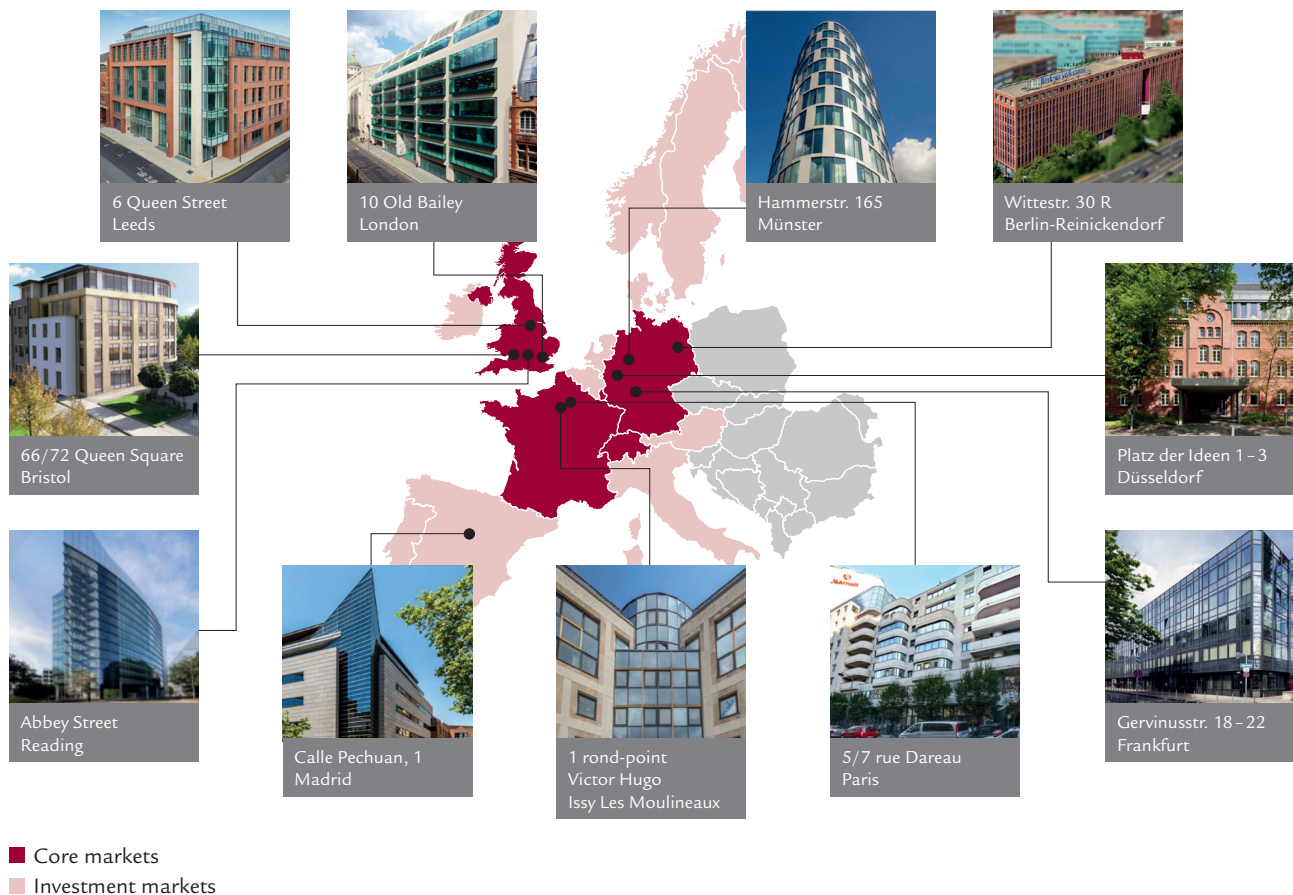
¹⁾ The value indicated does not constitute a projection, forecast, promise or guarantee or the achievement of this target.

Sectoral investment strategy



Source: Swiss Life Asset Managers

Sample portfolio²⁾ (as at September 2017)



²⁾ The sample portfolio comprises properties currently under review. These may differ from the properties actually acquired.

Source: Swiss Life Asset Managers

Reasons for a commitment

- Swiss Life REF (CH) European Properties will offer institutional investors access to a real estate portfolio broadly diversified by country and sector
- Logical complement to Swiss real estate investments thanks to great diversification potential
- Strong commitment by Swiss Life Ltd as long-term investor (“alignment of interest”)
- Swiss Life has many years of experience in real estate portfolio and asset management, coupled with outstanding knowledge of local markets and a strong local presence
- Sound growth expectations in Europe suggest stable returns and increasing rents for European real estate investments
- Partial inflation protection, since rents in many European countries are directly linked to the consumer price index
- Attractive conditions for first-time investors

About Swiss Life Asset Managers

Swiss Life Asset Managers has successfully expanded its investment business with third-party clients in recent years. Assets under management in this area have more than tripled in the past five years and came to over CHF 54 billion at the end of June 2017. Together with the investments of Swiss Life’s insurance companies, Swiss Life Asset Managers has assets of some CHF 210 billion under management. With real estate in the value of around CHF 74.3 billion as at the end of June 2017, Swiss Life Asset Managers is Europe’s largest institutional real estate investor³⁾ with locations in Switzerland, France, Germany, Luxembourg and the United Kingdom. There are more than 1200 employees working in Real Estate.

³⁾ PropertyEU, Top 100 Investors 2015, 2016 and 2017

Fund information

Legal form	Contractual real estate fund under Swiss law
Fund domicile	Switzerland
Circle of investors	Qualified investors
Investment period	Indefinite
Fund currency	EUR
Target volume at issue	min. EUR 250 m.
Minimum subscription	EUR 250 000 (2 500 units)
Payment date for securities subscribed	30 November 2017
Payment under subscription	made in max. five tranches from 30.11.2017 to 28.2.2019
Distribution	Annual
Target distribution yield ⁴⁾	ca. 3 %
Target borrowing ratio	20 %
Accounting year	1 April to 31 March (extended first accounting year: 30.11.17 – 31.3.19)
Fund management company	Swiss Life Asset Management Ltd
Portfolio management	Swiss Life Asset Management Ltd
Custodian bank	Credit Suisse (Schweiz) AG
External auditors	PricewaterhouseCoopers Ltd, Switzerland
Valuation expert	Wüest Partner AG, Switzerland

Swiss Life Asset Management Ltd
General-Guisan-Quai 40
P.O. Box 2831
8022 Zurich
www.swisslife-am.com



Conditions (one-off charge)

Issuing commission ⁵⁾ (accruing to the fund management)	0.40 % ≥ EUR 30 m 0.70 % ≥ EUR 10 m 0.90 % < EUR 10 m
--	---

Redemption commission % of NAV of returned units (accruing to the fund management)	max. 5.00 %
--	--------------------

Conditions (recurring charge)

Management fee as % of gross capital assets	0.70 %
---	---------------

Reduced management fee during first financial year as % of invested capital	0.35 %
---	---------------

Expected Total Expense Ratio long term (TER _{GAV}) ⁴⁾	ca. 1.00 %
--	-------------------

Transaction commission for acquisitions and divestments as % of purchase / sales price	max. 2.50 % per transaction
--	------------------------------------

Building & renovation fee as % of building costs	max. 3.00 %
--	--------------------

⁴⁾ The values indicated do not constitute a projection, forecast, promise or guarantee of the achievement of these targets.

⁵⁾ Depends on the amount of the subscription on the payment date for securities subscribed. No break rate applied.

As at September 2017

Disclaimer

The real estate fund described is not authorised for distribution to non-qualified investors in Switzerland and is thus exclusively for qualified investors within the meaning of the Swiss Federal Law on Collective Capital Investments (KAG). Comprehensive information on the fund can be found in the documents which form the legal basis for any investment. They may be ordered free of charge in electronic or printed form from the fund management company, Swiss Life Asset Management Ltd, General-Guisan-Quai 40, 8002 Zurich. The investment funds of Swiss Life may neither be offered nor delivered in the USA or to US nationals. This document was produced with the greatest of care and to the best of our knowledge and belief. However, we provide no guarantee with regard to its content and completeness.

