



J. SAFRA SARASIN



# Suisse Romande Property Fund

Real Estate Fund regulated under Swiss Law  
Prospectus with integrated fund contract

**Management company**

JSS Real Estate Management SA  
Rue de la Corraterie 4  
CH-1204 Geneva

**Custodian Bank**

Bank J. Safra Sarasin AG  
Elisabethenstrasse 62  
CH-4051 Basel

September 2020



# First Part: Prospectus

This prospectus including the fund contract, the simplified prospectus and the latest annual or semi-annual report form the basis for all subscriptions to units in the real estate fund.

Only the information contained in the prospectus, the simplified prospectus or the fund contract shall be deemed to be valid.

## 1. Information about the real estate fund

### 1.1 General information about the real estate fund

Suisse Romande Property Fund is an investment fund under Swiss law falling under the category of “real estate Funds” under the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA). The fund contract has been drawn up by JSS Real Estate Management SA in its capacity as fund management company, with the approval of the Bank J. Safra Sarasin AG (below JSSB) in Basel in its capacity as custodian bank, subject to the Swiss Financial Market Supervisory Authority (“FINMA”) and approved by FINMA for the first time on October 15, 2014.

The real estate fund is based on a collective investment contract (fund contract) under the terms of which the fund management company undertakes to involve the investor in the real estate fund in proportion to the units that he or she has acquired, and to manage the fund in accordance with the provisions of the law and the fund contract, autonomously and on its own behalf. The custodian bank is party to the contract in accordance with the duties conferred upon it by law and the fund contract.

In accordance with the fund contract, the management company may, with the consent of the custodian bank and the permission of the supervisory authority, create different unit classes, withdraw them or rearrange them at any time.

The real estate fund is not subdivided into unit classes.

### 1.2 Objectives and investment policy of the real estate fund

Suisse Romande Property Fund’s main objective is to preserve long-term capital and ensure the distribution of adequate income.

The real estate fund management company invests the fund’s assets in real estate assets in Switzerland and ensures that at least 80% of the fund’s assets is invested in the French-speaking part of Switzerland.

This real estate fund mainly invests in residential and commercial properties, and in other assets permitted under the fund contract. The fund holds directly and indirectly owned properties.

The main risks for the real estate fund lie in a broad decline in the value of investment properties, which could directly affect the unit value. The other risks to which the fund is exposed are risks relating to the real estate rental market, including the vacancy rate for apartments, the limited liquidity of the Swiss real estate market, environmental risks and risks inherent to construction, the development of competition, and regulatory changes. As the real estate fund may access foreign financing, the fund’s return may be affected by the cost of the financing.

The fund management company does not make use of derivative financial instruments.

### 1.3 Profile of the typical investor

This fund is intended for investors wishing to participate in the housing property market in Switzerland, and the French-speaking part of Switzerland in particular. As these investors have a medium-term investment horizon, they are seeking the stability of a real estate fund uncorrelated to the stock market, while at the same time benefitting from a satisfactory distribution of the risks in relation to the number of properties belonging to the fund, their geographic distribution and the very strict selection criteria.

#### 1.4 Tax rules applicable to the real estate fund

The real estate fund has no legal personality in Switzerland. In principle, it is not subject to income tax or capital tax. Real estate funds with direct land ownership are the exception. In accordance with the Swiss Federal Direct Tax Act, income from direct land ownership is subject to taxation at the point of the fund itself, but is tax-free for unit-holders. Similarly, the capital gains made on direct land ownership are only taxable for the real estate fund.

Federal withholding tax deducted from the real estate fund's Swiss income can be reclaimed in full by the fund management company.

Distributions of the real estate fund's income (to investors domiciled in Switzerland and abroad) are subject to a 35% federal withholding tax (tax withheld at source). The income and capital gains distributed in the form of separate coupons in respect of direct land ownership and capital gains arising from the disposal of shareholdings and other assets are not subject to withholding tax.

Investors domiciled in Switzerland may recover the withholding tax levied by listing the corresponding income in their tax return or by submitting a separate reimbursement request.

Investors domiciled abroad may request reimbursement of the federal withholding tax based on any existing double taxation agreement between Switzerland and their country of domicile. In the absence of any such agreement, this withholding tax reimbursement will not be possible.

The income distributed and/or gains made during the sale or return of units are not subject to EU taxation of savings in Switzerland.

#### FATCA

The real estate fund is not subject to the American fiscal authority as a Registered Deemed-Compliant Financial Institution as per section 1471 – 1474 of the Foreign Account Tax Compliance Act as it is qualified as Non-Financial Foreign Entities (NFFE).

This tax information is based on the current legal situation and practice. It is subject to changes in legislation, case law and the practices of the tax authorities.

Taxation and the other tax implications for the investor in the event of the holding, purchase or sale of fund units are subject to the provisions of the tax law of the investor's country of domicile.

## 2. Information about the fund management company

#### 2.1 General information about the fund management company

The fund management company is JSS Real Estate Management SA. The management company has managed investment funds since its establishment in 2019 as a public limited company registered in Geneva.

The amount of the fund management company's subscribed share capital is CHF 1,000,000.- in 2020.

The share capital is divided into registered shares and has been fully paid up.

The fund management company also has a participation capital of CHF 1,200,000.-.

#### Board of Directors

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##### Chairman

Mr Oliver Cartade  
Managing Director, Bank J. Safra Sarasin Ltd

##### Director

Mr Jean-Pierre Jacquemoudi  
Partner in the law firm Jacquemoud et Stanislas

##### Director

Mr. Oren-Olivier Puder  
Partner in the law firm Junod, Muhlstein, Lévy & Puder, Geneva

## Management

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### CEO

Mr Dan Bihi-Zenou

### Head of Fund Management

Mr Antoine Chauvière

### CFO

Mr Clément Marchenoir

### Address

JSS Real Estate Management Ltd  
Rue de la Corraterie 4, 1204 Geneva

The fund management company manages in Switzerland one collective capital investment scheme, of which the managed assets amounted to a total of CHF 467,261,608 million, at 31 December 2019.

On the other hand, the fund management company does not provide other services such as the individual management of various portfolios, investment advice or the custody and technical administration of other collective investment schemes.

### 2.2 Delegation of investment decisions

Decisions relating to investment of the real estate fund are not delegated to third parties.

### 2.3 Delegation of other subtasks

The rental, technical and administrative management of the properties is delegated in particular to the following companies, depending on the location of the properties:

- Naef Immobilier SA, Geneva/ Neuchâtel
- M3 Real Estate, Geneva
- SPG, Geneva
- Gérama SA, Fribourg
- Rosset SA et Régie Rosset & Cie, Fribourg/ Geneva

- Bernard Nicod SA, Lausanne
- Burnier & Cie SA, Nyon
- Fidimmobil Agence Immobilière & Commerciale SA, Neuchâtel
- Société Privé de Gérance, Geneva

These agents have many years of experience in real estate. The specific terms of performance of the mandate are set out in a contract entered into between the fund management company and the agents.

### 2.4 Exercising the membership and creditor rights

The fund management company shall exercise the creditor and membership rights relating to the funds' investments managed independently and exclusively in the investors' interests. On request, the fund management company shall provide investors with information on the exercising of the creditor and membership rights.

In its current routine business, the fund management company shall be free to exercise creditor and membership rights itself or delegate them to the custodian bank or to third parties.

With regard to any other matters which may have a long-lasting impact on investors' interests, including in the exercising of the creditor and membership rights of the fund management company as shareholder or creditor of the custodian bank or of other closely connected legal persons, the fund management company shall exercise the right to vote itself or give explicit instructions on this. In this case, it may rely on information that it receives from the custodian bank, portfolio manager, company or third parties, or which it learns of in the press.

The fund management company is free to waive the exercising of the creditor and membership rights or not.

## 3. Information about the custodian bank

The Custodian Bank (and Market Maker) is Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, CH-4051 Basel. Banque J. Safra Sarasin SA is a leading private bank, offering all the advantages of the Swiss banking environment together with dynamic and personalized advisory services focusing on opportunities in international financial markets. The Bank provides a high level of services and expertise when acting as investor advisor and asset manager for private and institutional clients. The Bank also provides financial services for investment foundations as well as technical expertise in financial analysis.

The Custodian Bank may delegate the safekeeping of the fund's assets to third-party custodians and collective securities depositaries in Switzerland or abroad, provided this is in the interests of efficient management. In relation to financial instruments, the fund's assets may only be transferred to regulated third-party custodians or collective securities depositaries. This does not apply to mandatory safekeeping at a location where the transfer to regulated third-party custodians and collective securities depositar-

ies is not possible, in particular due to mandatory legal provisions or to the investment product's modalities. The use of third-party custodians and collective securities depositaries means that deposited securities are no longer owned solely by the fund management company, which instead becomes only a co-owner. Moreover, if the third-party custodians and collective securities depositaries are not regulated, they may not, in organizational terms, meet the requirements placed on Swiss banks.

The Custodian Bank is liable for damage caused by the agent if it cannot prove that it applied the degree of due diligence with regard to the selection, instruction and monitoring required in the given circumstances.

The Custodian Bank is registered with the US tax authorities as a "Participating Foreign Financial Institution (PFFI)", pursuant to the section 1471-1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act, including related decrees, "FATCA").

## 4. Information about third parties

### 4.1 Paying agents

The paying agent is:  
Bank J. Safra Sarasin AG  
Elisabethenstrasse 62  
4002 Basel.

- Mr Yves Cachemaille
- Mr François Thorens
- Mrs Victorine van Zanten
- Wüest Partner AG, in Zurich and Geneva, responsible people: Mr Hervé Froideveaux and Mrs Ellen Hoérée

### 4.2 Auditor

The audit company is: Deloitte SA, Geneva.

### 4.3 Experts responsible for estimates

With the approval of the supervisory authority, the fund management company has appointed the following independent experts to carry out the estimates:

The experts responsible for estimates have many years of experience in construction, renovation, value enhancement studies and valuations, using both the traditional method and Discounted Cash Flow (DCF). The proper performance of the mandate is governed by an agreement between JSS Real Estate Management SA and the experts in charge of estimates.

## 5. Other information

### 5.1 Useful comments

<u>Security Number</u>	25,824,506
<u>ISIN</u>	CH0258245064
<u>Ticker</u>	SRPF

#### Listing

On the Swiss Exchange (SIX)

#### Accounting year

1 January to 31 December

#### Duration

Indefinite

#### Unit of account

Swiss franc (CHF)

#### Units

The units are not issued in the form of securities but are accounted for - no certificates

#### Use of products

Products will be distributed by 30 April at the latest.

#### Value of the units

Investors are notified that the market value of the units may be different from the net value of the units calculated and published once a year. Unit price changes do not necessarily correspond to the actual changes in the NAV because changes in the market price generally reflect the overall change in the capital markets and property markets and not the specific changes in the fund's real estate portfolio. Investors are notified that, in principle, the NAVs are not based on a revaluation of the property assets and do not reflect changes in the market price of the units.

### 5.2 Conditions for the issue and redemption of fund units and trading

#### 5.2.1 Conditions for the issue and redemption of fund units

Units may be issued at any time. This can only take place in tranches. The fund management company determines the number of new units to be issued, the subscription ratio for

existing investors, the issuing procedure for preferential subscription rights and the other conditions in a separate issue prospectus.

The investor may request the reimbursement of his or her units for the end of a financial year subject to 12 months' notice. Under certain conditions, the fund management company may reimburse the units called in for redemption early, during a financial year (see investment fund contract, § 17, ch. 2). If the investor wants early reimbursement, he or she must request this in writing at the time of calling the units in for redemption. Ordinary reimbursement and early reimbursement shall take place within two months of the close of each accounting year (see investment fund contract, § 5, ch. 4).

The net asset value of the real estate fund is calculated at market value at year-end and whenever units are issued.

The net asset value of a unit is obtained from the market value of the fund's assets, less any liabilities of the real estate fund and any taxes which are likely to be paid upon any liquidation of the real estate fund, divided by the number of units in circulation, rounded off to CHF 0.01.

For issuing purposes, the issue price is calculated as follows: net asset value calculated on the valuation date, plus ancillary costs (transfer fees, notarial fees, duties, normal brokerage fees, emoluments, etc.), incurred by the real estate fund on average by investing the amount paid, plus issuing commission. The amount of the ancillary costs and issuing commission is shown in 5.3 below.

For redemption purposes, the redemption price is calculated as follows: net asset value calculated on the valuation date, less ancillary costs incurred by the real estate fund on average by selling the share of investments redeemed, less redemption commission.

The amount of the ancillary costs and redemption commission is shown in 5.3 below.

Issue and redemption prices are rounded to the nearest CHF 0.01.

## Suisse Romande Property Fund

The units are not issued in the form of securities, but are accounted for.

The fund management company may suspend or refuse unit subscription or conversion orders at any time.

The Custodian Bank systematically informs the Fund Management Company of the subscription, redemption, purchase and sale orders, by providing a contact point for investors and keeping an inventory of these orders.

Custodian Bank Contact:

Telephone: +4158 317 44 44

### 5.2.2 Regulated trading on the stock exchange or over-the-counter (OTC)

In compliance with the applicable regulations (in particular with the Swiss Federal Act on Collective Investment Schemes and the stock exchange regulations), the fund management company shall provide for a regulated trading of real estate fund units on the stock exchange or over-the-counter, through a bank or a securities dealer.

The fund management company delegated this market maker activity to the custodian bank, without granting them exclusive rights. The fund management company may enter into other agreements with other banks or securities dealers. The terms and conditions relating to this activity are settled in a specific agreement between the fund management company and the custodian bank in accordance with the applicable provisions of the law. The fund management company shall publish, in the media of publication, the market value of the fund's assets and the resulting net asset value of the fund's units at the same time when it communicates them to the bank or the securities dealer handling the securities on the stock exchange or over-the-counter (OTC).

Contact for the regulated trading on the stock exchange and over-the-counter (OTC):

Bank J. Safra Sarasin SA, Zurich

Telephone: +41 58 317 37 17

### 5.3 **Remunerations and ancillary costs**

Fees and ancillary costs to be borne by the investor (extract from § 19 of the fund contract)

- Issuing commission to the fund management company, the custodian bank and/or distributors in Switzerland and abroad: maximum 5%

- Redemption commission to the fund management company, the custodian bank and/or distributors in Switzerland and abroad: maximum 5%

Ancillary costs to the fund's assets, incurred by the fund following investment of the amount paid or the sale of investments (§ 17, number 3 of the fund contract)

- Supplement at book value: 3%
- Deduction of book value: 2%

Fees and ancillary costs to be borne by the fund's assets (extract from § 20 of the fund contract)

- Fund management company's management fee: maximum 1%

This is used for the management, Asset Management and marketing of the fund.

- Custodian bank fee: maximum 0.06%
- For payment of the annual income to investors, the management company charges the real estate fund a fee of 0.5% of the gross amount distributed.

Furthermore, the other fees and ancillary costs listed in § 20 of the fund contract may be charged to the real estate fund.

- Management company's property management fee on the annual amount of rental fees collected, including heating costs: maximum 6%
- Management company fee for the purchase, sale or exchange of properties, provided that a third party has not been entrusted with this: maximum 3%
- In respect of its activities when carrying out feasibility studies and acting on behalf of the project owner relating to the construction of properties, renovation and conversion projects, the fund management company shall charge the Real Estate Fund a fee not exceeding 3% of invested amounts, after deduction of the usual fees paid to third-parties and agents.
- In respect of its activities (project development and monitoring, and acting on behalf of the project owner) relating to the construction of properties, renovation and conversion projects, the fund management company shall charge the real estate fund the fee usually applied by the architects (SIA), taking into account the remuneration of third-parties.



The total expense ratio (TER) currently charged to the fund's assets was

0.84% in 2017

0.75% in 2018

0.80% in 2019

#### Investments in connected collective investment schemes

When investments are made in collective investment schemes managed directly or indirectly by the fund management company or by a company with which such fund management company is connected through common management or control or a direct or indirect substantial participating interest in the capital or voting rights, no issuing or redemption fee is charged and only a reduced management fee is charged in accordance with § 20, number 6 of the fund contract.

#### Agreements on sharing costs and pecuniary benefits ("soft commissions")

The fund management company has not entered into any cost sharing agreements.

The fund management company has not entered into any agreements on "soft commissions".

#### **5.4 Real estate fund publications**

Other information on the real estate investment is contained in the fund's most recent annual or semi-annual report. Up-to-date information can also be found online at [www.jssrem.ch](http://www.jssrem.ch)

The prospectus including the fund contract, the simplified prospectus and annual or semi-annual reports may be requested free of charge from the fund management company, the custodian bank or any distributor.

In the event of any amendment to the fund contract, a change in the fund management company or the custodian bank, or during dissolution of the real estate fund, the fund

management company will publish this on the Swiss Fund Data AG platform: <http://www.swissfunddata.ch>.

Prices are published each time that units are issued and redeemed, and daily on the Swiss Fund Data AG platform: [www.swissfunddata.ch](http://www.swissfunddata.ch). The fund management company may also publish the prices in daily newspapers or on other electronic media.

#### **5.5 Building insurance**

The properties owned by this real estate fund are insured in principle against the risks of fire and water damage, and against third party liability damage due to significant causes. Losses of rental income due to fire and water damage are included in this insurance coverage. However, earthquakes and their consequences are not insured.

#### **5.6 Sales restrictions**

When units of this real estate fund are issued and redeemed abroad, the provisions in force in the country in question shall apply.

- a) No authorisation exists to distribute abroad.
- b) The units of this real estate fund may not be offered, sold or delivered in the USA.

The fund management company and the custodian bank may prohibit or limit the purchase, exchange or transfer of units to legal and natural persons in certain countries or regions.

#### **5.7 Detailed provisions**

All other information on the real estate fund, such as the valuation of the fund's assets, reference to all fees and ancillary costs charged to the investor and the real estate fund, and allocation of the income is provided in detail in the fund contract.

Geneva, September 2020

**JSS Real Estate Management SA**

