



# Contributions in kind – the ideal solution for property owners

**With a contribution in kind, you retain all the advantages of a real estate investment while simultaneously enhancing your portfolio diversification. Swiss Prime Site Solutions will show you how to seamlessly transfer your properties into indirect real estate investments.**

## Definition of «contribution in kind»

The contribution of real estate to an investment vehicle is defined as a contribution in kind. In return, the owner receives shares in the investment vehicle (investment foundation and/or investment fund). The contribution in kind allows the property owner to transfer their directly held property portfolio to an indirect real estate investment. They thereby benefit immediately from a greater diversification effect, an experienced team of specialists with broad expertise, and an investment strategy firmly focused on sustainability. Direct property investment can be challenging for property owners. Managing a property portfolio requires extensive knowledge of the real estate sector and regional markets.

## Benefits of a contribution in kind

### Efficiency and economies of scale

You continue to have access to the institutional real estate market. Capital, resources and expertise are used more efficiently. Costs are lower thanks to economies of scale.

### Diversification and risk/return

With a diverse portfolio, you can better hedge against fluctuations in a specific market or sector. This can stabilise the overall return and improve the risk-return profile.

### Professional management

As an investor, you'll benefit from professional asset management expertise. Real estate investments call for specialist knowledge of buying, managing and selling properties. Professional managers can optimise your property portfolio for you.

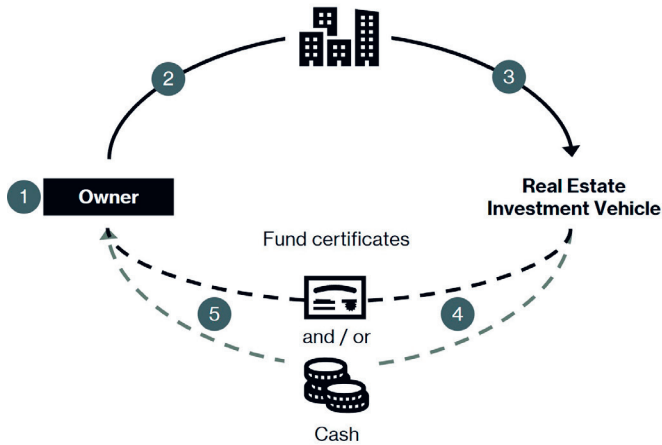
### Liquidity and flexibility

Fund units of the investment foundation or claims within it can be bought and sold through assignments and redemptions or on the secondary market. In particular, this simplifies the distribution of an estate in which each family member receives a specific allocation.

### Tax advantages

Private clients domiciled in Switzerland enjoy tax advantages on assets and income related to funds that hold real estate directly.

## How a contribution in kind transaction works



1. The property owner announces their willingness to sell a property
2. The fund manager/investment foundation assesses the property to determine its suitability for acquisition, and the custodian bank checks the investor's eligibility
3. A more thorough assessment of the property is carried out, which includes valuing it and proposing a purchase price
4. The purchase price is paid in the form of share certificates and/or cash, depending on the agreement
5. The former property owner is now an investor with share certificates

## Benefits for individual investor segments

### Pension funds

- **Tax-free transfer (usually):** Thanks to tax rulings (Merger Act), there is a good chance that a tax-neutral transfer of real estate (asset swap) can be carried out.
- **Issue of NAV-based** claims within an investment group of the investment foundation or **fund units** of a pension fund.

### Companies

- **Asset-light strategy**  
Equity-intensive properties are sold to free up funds for business operations.
- **Sale & lease-back**  
A self-occupied property is leased back long-term. Focus on core business and aligning the interests of the landlord and tenant.

### FOs / Individuals / Foundations

- **Direct real estate holdings** are often not considered in the **overall asset allocation**.
- **Historical growth** of the family-owned property portfolio often lacks a professional real estate strategy.
- **Estate distribution or co-ownership** among different family members are simplified.

### Asset manager

- **Make it bankable**  
When asset management clients own real estate directly, these are capital investments that the portfolio manager cannot access. With a contribution in kind into a fund, properties become «bankable assets».

## Swiss Prime Site Solutions' investment vehicles for contributions in kind

Product/service	Valor/ISIN	Launch date	AUM as at 31.12.2022	Investor base	Investment strategy	Management fee p.a.	Liquidity
<b>Swiss Prime Investment Foundation SPIF Real Estate Switzerland</b>	26 362 735 CH0263627355	2015	CHF 3.7 billion	Tax-exempt pension funds domiciled in Switzerland	Swiss real estate, min. 30% residential (target: > 50%)	0.29%	Issuance/ Redemption/ Assignment
<b>Akara Swiss Diversity Property Fund PK</b>	33 349 032 CH0333490321	25.10.2016	CHF 2.6 billion	Tax-exempt pension funds domiciled in Switzerland	Existing properties and development and construction projects for residential and commercial use throughout Switzerland	0.35%	Issuance/ Redemption/ Assignment
<b>Swiss Prime Site Solutions Investment Fund Commercial</b>	113 909 906 CH1139099068	17.12.2021	CHF 440 billion	Qualified investors (private/ institutional)	Commercial real estate throughout Switzerland	0.47%	OTC trading

## References

We support you throughout the entire contribution in kind process with our extensive experience and through access to our nationwide network of experts. We have demonstrated our contribution in kind process several times over recent months.

We have completed three such transactions with a value of about CHF 250 million. For example, we were able to take over 33 properties for the Swiss Prime Investment Foundation as part of a contribution in kind from the Ringier Group's pension fund, four properties from the City of Bern's occupational pension fund, and four residential properties from another pension fund.

At the beginning of 2023, a partial contribution in kind was made to the Swiss Prime Site Solutions Investment Fund Commercial. This included two modern, multifunctional research and development buildings from the VF Corporation Group.

## Swiss Prime Site Solutions creates sustainable added value for you.

Contact us for a no-obligation consultation. We will be pleased to show you the opportunities and advantages of a contribution in kind and offer you professional guidance throughout the entire process.



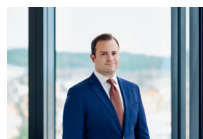
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