

## **RESIDENTIA**

Investment fund under Swiss law in the "real estate funds" category.

### **Audited annual report December 31, 2013**

RESIDENTIA is an investment fund under Swiss law in the "real estate funds" category within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) (hereinafter referred to as the "fund" or the "real estate fund"). The fund contract was drawn up by FidFund Management SA, as Fund Management Company, with the approval of the custodian bank Cornèr Banca SA. It was submitted to the Swiss Financial Market Supervisory Authority (FINMA), which approved it for the first time on 20 March 2009.

The real estate fund is based on a collective investment agreement (the fund contract) under which the fund management company undertakes to provide investors with a stake in the investment fund in proportion to the fund units they acquire, and to manage the fund at its own discretion and for its own account in accordance with the provisions of the law and the fund contract. The custodian bank is a party to the fund contract in consequence of the tasks conferred upon it by law and the fund contract.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The real estate fund is not divided into unit classes.

#### **Fund management company**

**FidFund Management SA**  
Chemin de Précossy 11  
CH-1260 Nyon / VD

#### **Custodian bank**

**Cornèr Banca SA**  
Via Canova 16  
CH – 6900 Lugano

## FidFund Management SA

### Board of Directors

Marc Lüthi	Chairman - Head of Private Banking, Banque Bénédict Hentsch & Cie SA
Philippe Bens	Director
Didier Brosset	Director
Philippe De Cholier De Cibeins	Director
Guillaume Fromont	Director, CACEIS SA, Paris
Alain Golaz	Director – Avocats associés, Geneva
Robert Pennone	Director – Pennone & Partners SA, Geneva

### Fund Management Company

François Arnaud	Managing Director
Christophe Audousset	Deputy Director

### Investment committee

(Without decision-making power)

Lorenzo Orsi	Certified architect (ETH Zurich) and member of the REG A, SIA, OTIA and ASIAT
Claudio Genasci	Member of the management team, Banca Dello Stato del Cantone Ticino

### Investment committee advisor

(Without decision-making power)

Matteo Pagani	Studio Fiduciario Pagani SA, Lugano
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### Valuation experts

Omar Antonelli	Certified architect STS OTIA, Lugano
Mirko Fasola	ES technician, Lugano
Pascal Brühlhart	International real estate economist (BAK), MAS Real Estate Management (FHO), MRICS, Ponte Tresa.

### Real estate management

Assofide SA, Locarno  
Comafim SA, Lugano  
Interfida SA, Chiasso  
Privera SA, Lugano

### Custodian bank

Cornèr Banca SA, Lugano

### Auditors

KPMG SA  
Rue de Lyon 111, 1203 Genève

### Promoters

Studio Fiduciario Pagani SA  
Banca dello Stato des Cantone Ticino

Residentia is an investment fund under Swiss in the real estate funds category. The fund invests exclusively in:

- real estate assets located in southern Switzerland (Ticino, Grisons);
- residential properties and mixed-use buildings;
- and to a lesser extent, properties of an exclusively or predominantly commercial nature, including properties used by the manufacturing and hotel industries.

The fund's objective is to preserve the value of its investments and the appropriate distribution of the income earned by them over the long term by creating a stable, actively managed asset portfolio.

## Investment advisor's report

The year 2013 can be viewed as a very positive one for the Residentia Real Estate Fund: we expanded our real estate portfolio further with the purchase of a beautiful property in Vacallo in the second half of the year. The building is divided into three blocks, containing a total of 50 apartments, 2 commercial premises, 86 garage parking spaces, 8 external parking spaces, a swimming pool and a barbecue area.

In the meantime, we have sold the Massagno plot at a healthy profit. This transaction also enabled us to keep our levels of debt within the new CISA limits and to concentrate our financial resources on the development of income-generating properties already in our portfolio. The construction site for ten apartments on our plot at Giubiasco has now commenced and is proceeding optimally and to schedule. The building is scheduled to be handed over in the spring of 2015.

The other major project commenced in the summer is the total refurbishment of all the apartments in the Via Beltramina building. The project is on schedule, and we have taken the opportunity to create 13 parking spaces in the courtyard of the building – an important asset for a building located in an area with little parking available. The work is due to finish at the end of March 2014, and the apartments are quickly being re-let.

These building works confirm our strategy of continuously renovating our property and then gradually rejuvenating our real estate portfolio. Other projects that track this strategy are taking shape and being developed for the near future, which makes us optimistic for the development of Residentia Real Estate Fund. In particular, these projects are:

- Obtaining planning permission for the construction of a further building in the Biasca complex
- Obtaining planning permission for the construction of a building at Locarno di Via in Selva (currently occupied by a building that will be demolished)
- Obtaining planning permission for the construction of an additional floor in our building in Via Ghiringhelli, Bellinzona
- Construction of 20 parking spaces and renovation of the garage of the building in Via Rovedo, Locarno (planning permission has already been obtained)

In order for us to maintain strict control over the status of the buildings in terms of returns as well as investment, we have developed a specific piece of software that provides us with detailed risk management for each individual building. We have also measured each residential unit owned by the fund, which, in combination with the new software, will improve our performance.

Given the annual dividend of CHF 34.37 per unit, we are satisfied with the fund's performance. Its market price is currently around CHF 1,075 per unit.

## NAV valuation and calculation principles

The net asset value of the real estate fund is calculated based on the market value at the end of the financial period and for each issue of units in Swiss francs.

The fund management company instructs independent valuation experts to assess the market value of the properties held by the real estate fund at the end of each six-month period and whenever new units are issued. To do this, the fund management company, with the approval of the supervisory authority, appoints at least two individuals or one company as independent valuation experts. The inspection of the properties by the valuation experts should be repeated at least once every three years.

Investments listed on a stock exchange or traded on another regulated market open to the public are valued at their principal market price. Other investments or investments for which no current market value is available are valued at the price that would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company uses appropriate and recognised valuation models and principles to determine the market value.

Open-ended collective investment schemes are valued at their redemption price and/or net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with the previous paragraph.

The value of short-term fixed-interest securities (money market instruments) that are not traded on a stock exchange or on a regulated market open to the public is calculated as follows: the valuation price of such investments is subsequently adapted to the redemption price, based on the net acquisition price, maintaining the same return on investment calculated as a result. If there are significant changes in market conditions, the valuation basis of the different investments is adjusted in line with the new market returns. If the current market price is not available, reference is normally made to the valuation of money market instruments with the same characteristics (issuer's rating and registered office, issue currency and term).

Bank and postal deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.

The net asset value of a unit is determined by the market value of the fund's assets, less any liabilities of the fund and any taxes levied on the fund's liquidation, divided by the number of units in circulation. Figures are rounded to CHF 0.05.

## DCF valuation model

The valuation experts use a DCF valuation model that meets international standards and takes into account the guidelines of the TEGoVA (The European Group of Valuers' Associations) and the RICS (The Royal Institution of Chartered Surveyors), along with those of the IVSC (International Valuation Standards Committee), the SVS (Swiss Valuation Standards), the SEK/SVIT, SIV (Schweizerischer Immobilienschätzer Verband) and the CEI (Chambre suisse d'experts en estimations immobilières).

Market value or fair value is the estimated amount at which a property would be traded at the valuation date between a willing buyer and seller in a normal transaction on the open market where the parties have each acted knowingly, prudently and without constraint.

Market value does not include any transaction financing costs, commissions, taxes or change of ownership costs, or any capital gains tax. Conversely, real estate taxes are taken into account in the valuation.

**The discounted cash flow** method calculates returns based on future incomings and outgoings. It includes potential future cash flow forecasts in relation to a property's location and use.

Gross annual income (net rental income) is defined based on current income and any market potential. Any loss of income due to vacancy risk is also taken into account. Furthermore, operating costs and maintenance and renovation costs that cannot be passed on to tenants are deducted.

The residual value is obtained by capitalising the net cash flow from the 11th year and taking into account future unscheduled maintenance costs that cannot be passed on to tenants. The location, use and state of repair of the building at that precise moment are factored into the capitalisation. Cyclical renovation costs after a ten-year period are calculated as a percentage of the building's value, adjusted for any increases (CapEx).

**The rental income** taken into consideration is based on information received from the property owners or management company. The calculation model ignores differences between rental conditions linked to the mortgage rate but does take account of index-linked contracts. In the valuation model, apart from factoring in rent reviews, the predicted growth in rental income is based on the options permitted under tenancy law, while taking into account the maximum market conditions.

**The market potential** is based on the market rent corresponding to the location parameters, type of property, rental area, number of rooms, fixtures and fittings, services and similar.

The valuation is verified and adjusted where necessary, depending on the property, by market specialists.

**Legal basis for the valuation of rental income:** Valuations are subject to changes in the IPC index over the next 10 years. For residential properties, rent reviews take into account the increase in the value of the property. In contracts for commercial or office properties, indexing is applied in accordance with the contractual terms.

Market potential is valued based on the provisions of tenancy law and market conditions.

**Rental area:** The rental area is based on the information provided by management. We operate on the assumption that this information complies with the definitions given in applicable standards. In rare cases where areas are calculated from plans, the net effective surface area is used.

**Maintenance and renovation expenses** comprise all works carried out, such as repairs, that cannot be passed on to tenants. Renovation includes non-recurring investments such as building renovations or improvements, etc. The percentage of these costs that corresponds to an increase in the property value is capitalised and to a certain extent reflected in rents.

The market value of each property represents the price that is likely to be achieved in the presence of a normal deal flow and assuming a diligent purchase and sale transaction. Any opportunities arising, particularly during the purchase and sale of the fund's properties, are exploited on a case-by-case basis in the best interests of the fund. This may lead to differences compared with the valuations.

## Capitalisation rate as at 31 December 2013

The capitalisation rate is 3.90%. (Average 10-year swap of the last 4 years: 2.00%; debt ratio: 1.20%; inflation rate: 0.70%)  
The discount rates varie between 3.93% (minimum) and 4.33% (maximum), with a weighted average of 4.12%.

## Information on matters of particular economic or legal significance

### **Amendment of prospectus with integrated fund agreement**

On 2 August 2013, the fund management company, FidFund Management SA, notified the public of its decision – with the agreement of the custodian bank, Cornèr Banca SA – to proceed to make amendments to the investment fund contract for the Swiss contract-based investment fund Residentia belonging to the “real estate funds” category, pursuant to Art. 27 of the Collective Investment Schemes Act (CISA) of 23 June 2006.

The amendments relate to the following:

- Units and unit classes: Units shall not take the form of actual certificates but shall exist purely as book entries. Investors shall not be entitled to demand the issue of certificates. Issue charges have been dispensed with.
- Amended rights of lien on real property in line with the new wording of Art. 96 CISA (with effect from 1 March 2013)
- Change to the diversification and limitation of risk following the entry into force of the revised CISA.
- Fees and incidental costs: addition of the additional fees that may be charged to the fund assets pursuant to Art. 37 para. 2 CISO (new wording with effect from 1 March 2013).
- Restructuring and dissolution: No charge to the investment fund and/or to the sub-funds or to the investors shall arise, with the exception of the charges described in Art. 20 (3).

### **Pending disputes:**

A dispute in tenant law is currently pending with the tenant of one of the Fund's building. The amount in dispute is of CHF 194'470.- and this latter has been accrued in the accounts.

### **Events after the reporting date**

There have been no events since the reporting date.

## RESIDENTIA

## Summary figures

		31-Dec-2012	31-Dec-2013
Total assets	CHF	100'370'668.52	114'016'692.32
Net fund assets	CHF	75'113'699.44	76'010'399.74
Estimated market value of completed properties	CHF	94'801'000.00	110'389'000.00
Estimated market value of properties under construction (including land)	CHF	3'790'000.00	950'000.00

	Units outstanding	Net assets CHF	Net asset value per unit CHF	Net income distribution CHF	Capital gains distribution CHF	Total CHF
31.12.2009	39'938	40'261'902.07	1'008.10	4.48	0.00	4.48
31.12.2010	39'938	41'337'560.47	1'035.05	9.35	0.00	9.35
31.12.2011	39'938	41'623'094.82	1'042.20	19.75	0.00	19.75
31.12.2012	68'388	75'113'699.44	1'098.35	24.42	0.00	24.42
<b>31.12.2013</b>	<b>68'388</b>	<b>76'010'399.74</b>	<b>1'111.45</b>	<b>34.37</b>	<b>0.00</b>	<b>34.37</b>

## Indices calculated according to SFA directive

	31-Dec-2013
Return default rate.....	13.08 %
Borrowing ratio .....	30.87 %
Operating profit margin (EGIT).....	55.04 %
TER <sub>(REF)</sub> (GAV).....	1.10 %
TER <sub>(REF)</sub> (NAV).....	1.56 %
Return on equity (ROE 01.01 - 31.12.2013).....	4.02 %
Dividend yield .....	2.94 %
Distribution rate .....	100.00 %
Premium / Discount as at 31.12.2013.....	-3.28 %
Investment return.....	4.10 %

## Performance of the Résidentia Fund (dividends reinvested)

	2012	2013	since launch <sup>(1)</sup>	accounting period 01.01.13 - 31.12.13
<b>Residentia</b>	-1.73%	-1.15%	14.95%	-1.15%
<b>SXI Real Estate Funds Index*</b>	6.27%	-2.77%	26.83%	-2.77%

\* The SXI Real Estate Funds TR benchmark index includes all Swiss real estate funds listed on SIX Swiss Exchange. Their weighting in the index is determined by their market capitalisation. Dividend payments are taken into account when calculating the SWIT performance index.

Past performance is not an indicator of current or future performance.

Performance figures do not take into account commissions and fees paid when units are issued or redeemed.

<sup>1</sup> from 1 July 2009 to 31 December 2013 (cumulative performance)

## RESIDENTIA

### Statement of assets and liabilities

	as at 31.12.12	as at 31.12.13
	CHF	CHF
<b>Assets</b>		
<b>Bank assets</b>		
Demand deposits	1'395'803.17	2'034'297.75
<b>Properties</b>		
Residential properties	55'400'000.00	70'790'000.00
Residential properties with floor-by-floor ownership	5'230'000.00	5'235'000.00
Mixed-use properties	27'971'000.00	23'270'000.00
Commercial properties	6'200'000.00	11'094'000.00
Building plots, including buildings to be demolished and properties under construction	3'790'000.00	950'000.00
<b>Total properties</b>	<b>98'591'000.00</b>	<b>111'339'000.00</b>
Other assets	383'865.35	643'394.57
<b>Total assets</b>	<b>100'370'668.52</b>	<b>114'016'692.32</b>
<b>Liabilities</b>		
<b>Commitments</b>		
Mortgage debt	22'370'000.00	34'370'000.00
Other commitments	1'721'034.08	2'312'859.58
<b>Total liabilities</b>	<b>24'091'034.08</b>	<b>36'682'859.58</b>
<b>Net assets before estimated taxes due in case of liquidation</b>	<b>76'279'634.44</b>	<b>77'333'832.74</b>
Provisions for taxes on unrealised gains	-1'165'935.00	-1'323'433.00
<b>Net assets</b>	<b>75'113'699.44</b>	<b>76'010'399.74</b>

### Change in net assets

Change in net fund assets	CHF	CHF
Net fund assets at beginning of accounting period	41'623'094.82	75'113'699.44
Distribution	-949'520.96	-2'159'693.04
Balance of unit transactions	29'769'743.33	0.00
Total net income	4'670'382.25	3'056'393.34
<b>Net fund assets at end of accounting period</b>	<b>75'113'699.44</b>	<b>76'010'399.74</b>

### Number of units redeemed and issued

#### Change in number of units

Position at beginning of period	39'938.00	68'388.00
Units issued	28'450.00	0.00
Units redeemed	0.00	0.00
<b>Position at end of period</b>	<b>68'388.00</b>	<b>68'388.00</b>

<b>Net asset value per unit at end of period</b>	<b>CHF</b>	<b>1'098.35</b>	<b>1'111.45</b>
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**RESIDENTIA**

		as at 31.12.12	as at 31.12.13
		CHF	CHF
<b>Additional information (Art. 68 CISO-FINMA)</b>			
Balance of property depreciation account	CHF	0.00	0.00
Balance of provision account for future repairs	CHF	0.00	0.00
Number of units presented for redemption for the end of the following period		0	0

## RESIDENTIA

## Income statement

	From 01.01.12 to 31.12.12	From 01.01.13 to 31.12.13
	CHF	CHF
<b>Income</b>		
Rental income	3'725'292.90	4'800'788.95
Bank interest	4'938.46	1'145.91
Other rental income	19'919.43	26'647.50
Income equalization on units issued	232'204.17	0.00
<b>Total income</b>	<b>3'982'354.96</b>	<b>4'828'582.36</b>
<b>Expenses</b>		
Mortgage interest	79'557.56	138'520.82
Other interest expense	1'281.74	0.00
Maintenance and repairs	283'603.96	472'540.75
Property administration:		
a) Property costs (water, electricity, concierge services, cleaning, insurance, etc.)	282'196.77	299'787.03
b) Administration costs (professional fees and management expenses)	134'246.53	181'093.55
Direct taxes	534'338.39	930'127.12
Valuation and audit fees	96'615.42	123'156.81
Bank charges	17'107.03	23'753.17
Other expenses (publication, printing, legal costs, etc.)	26'561.14	116'032.60
Statutory compensation for the fund management company	636'605.34	718'278.56
Statutory compensation for the custodian bank	31'830.26	37'525.58
Allocation(s) to provisions for doubtful debts	188'031.05	9'156.00
<b>Total expenses</b>	<b>2'311'975.19</b>	<b>3'049'971.99</b>
<b>Net income</b>	<b>1'670'379.77</b>	<b>1'778'610.37</b>
Realised gains/losses on investments	0.00	571'377.02
<b>Realised gain/loss</b>	<b>1'670'379.77</b>	<b>2'349'987.39</b>
Unrealised gains/losses on investments (change)	3'000'002.48	706'405.95
<b>Profit/loss for the period</b>	<b>4'670'382.25</b>	<b>3'056'393.34</b>
<b>Allocation of net income</b>		
	<b>CHF</b>	<b>CHF</b>
Realised gain/loss	1'670'379.77	2'349'987.39
Intermediary distribution	-586'085.16	-1'075'743.24
Retained earnings	323.91	668.72
<b>Income available for distribution</b>	<b>1'084'618.52</b>	<b>1'274'912.87</b>
<b>Income payable to investors</b>	<b>1'084'618.52</b>	<b>1'274'912.87</b>
Capital gains distribution	0.00	0.00
Income distribution	1'083'949.80	1'274'752.32
<b>Income expected to be paid to investors</b>	<b>1'083'949.80</b>	<b>1'274'752.32</b>
<b>Carried forward</b>	<b>668.72</b>	<b>160.55</b>

## RESIDENTIA

## Properties inventory

## Rental properties

		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>
<b>Residential properties</b>					
<b>Tessin</b>	<b>Bellinzona</b>				
	Via San Gottardo 58 a/b/c	8'536'711.44	9'480'000.00	559'453.00	6.29%
	<b>Biasca</b>				
	Via Quinta 53 à 59	8'689'301.60	9'700'000.00	518'624.50	5.41%
	<b>Giubiasco</b>				
	Viale C. Olgiati 20/1	5'312'096.55	6'100'000.00	313'966.40	5.51%
	<b>Locarno</b>				
	Via In Selva 17	2'572'787.25	2'700'000.00	81'146.00	3.07%
	Via Nessi 38	8'672'880.55	9'980'000.00	516'735.70	5.47%
	Via Rovedo15-Via Pietro Romerio 12	9'005'918.95	9'350'000.00	562'107.80	6.25%
	<b>Lugano</b>				
	Via Beltramina 6 - 8 - 10	10'050'969.65	10'800'000.00	216'065.00	5.15%
	<b>Vacallo</b>				
	Via Bellinzona 10-11 / Via F. Chiesa 11	12'561'895.20	12'680'000.00	230'482.00	5.71%
	<b>Total</b>	<b>65'402'561.19</b>	<b>70'790'000.00</b>	<b>2'998'580.40</b>	

## Residential properties with floor-by-floor ownership

<b>Tessin</b>	<b>Chiasso</b>				
	Via Lavizzari 2	1'901'025.30	1'940'000.00	83'755.40	5.13%
	<b>Lamone</b>				
	Via Carsiné 5 / 5a	3'167'525.48	3'295'000.00	150'177.15	5.36%
	<b>Total</b>	<b>5'068'550.78</b>	<b>5'235'000.00</b>	<b>233'932.55</b>	

## Mixed-use properties

<b>Tessin</b>	<b>Lugano</b>				
	Via Antonio Fusoni 5	7'032'346.15	7'240'000.00	396'221.00	5.55%
	Via Bagutti 26	11'385'390.90	11'570'000.00	556'415.00	5.48%
	<b>Bellinzona</b>				
	Via C. Ghiringhelli 18	4'190'817.69	4'460'000.00	246'860.00	5.54%
	<b>Total</b>	<b>22'608'554.74</b>	<b>23'270'000.00</b>	<b>1'199'496.00</b>	

## Commercial properties

<b>Tessin</b>	<b>Lugano</b>				
	Via Carona 6	4'621'144.00	4'914'000.00	144'340.00	1.88%
	<b>Manno</b>				
	Via Cantonale 27	6'145'925.15	6'180'000.00	224'440.00	4.70%
	<b>Total</b>	<b>10'767'069.15</b>	<b>11'094'000.00</b>	<b>368'780.00</b>	

## RESIDENTIA

		<b>Cost price in CHF</b>	<b>Estimated market value in CHF</b>	<b>Rent received <sup>1</sup> in CHF</b>	<b>Gross yield <sup>2</sup></b>
<b>Building plots, including buildings to be demolished and properties under construction</b>					
<b>Tessin</b>	<b>Giubiasco</b>				
	Via Olgiati, Via Lugano	1'141'087.60	950'000.00	0.00	0.00%
	<b>Total</b>	<b>1'141'087.60</b>	<b>950'000.00</b>	<b>0.00</b>	

## Summary

	<b>Cost price in CHF</b>	<b>Estimated market value in CHF</b>	<b>Rent received <sup>1</sup> in CHF</b>
Residential properties	65'402'561.19	70'790'000.00	2'998'580.40
Residential properties with floor-by-floor ownership	5'068'550.78	5'235'000.00	233'932.55
Mixed-use properties	22'608'554.74	23'270'000.00	1'199'496.00
Commercial properties	10'767'069.15	11'094'000.00	368'780.00
Building plots, including buildings to be demolished and properties under construction	1'141'087.60	950'000.00	0.00
<b>Total</b>	<b>104'987'823.46</b>	<b>111'339'000.00</b>	<b>4'800'788.95</b>

1. includes rent receivable

2. ratio between theoretical rental status and market value (for properties comprising a completed building/building in use)

Buildings fire value : CHF 117'007'947

No Tenant accounts with more than 5% of the total rental income of the fund (in accordance with paragraph 66 of the SFA guidelines on real estate funds)

**RESIDENTIA****List of asset purchases and sales**

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**Purchases**

<b>Residential properties</b>		<b>Purchase price (in CHF)</b>
<b>Tessin</b>	<b>Vacallo</b>	
	Via Bellinzona 10-11 / Via F. Chiesa 11	12'300'000.00
<b>Total of purchases</b>		<b>12'300'000.00</b>

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**Sales**

<b>Building plots, including buildings to be demolished and properties under construction</b>		<b>Sale price (in CHF)</b>
<b>Tessin</b>	<b>Massagno</b>	
	Via Rodrée 6	3'500'000.00
<b>Total of purchases</b>		<b>3'500'000.00</b>

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## RESIDENTIA

## Analysis of mortgage debt

Principal	Interest rate	Loan date	Maturity	interest rate basis and frequency
in CHF	Annual			
800'000.00	0.523%	30.03.2012	30.03.2015	Libor 3 month CHF
2'400'000.00	0.523%	30.03.2012	30.03.2015	Libor 3 month CHF
8'400'000.00	0.523%	28.09.2012	28.09.2015	Libor 3 month CHF
8'640'000.00	0.523%	28.09.2012	28.09.2015	Libor 3 month CHF
14'130'000.00	1.100%	31.12.2013	31.12.2017	Fixed
<b>34'370'000.00</b>	<b>0.760%</b>	(weighted average rate)		

## Analysis of payed off mortgage debt

Principal	Interest rate	Loan date	Repayment date
in CHF	Annual		
2'130'000.00	0.523%	30.03.2012	31.12.2013
9'500'000.00	0.523%	13.09.2013	31.12.2013
4'000'000.00	0.523%	13.09.2013	31.12.2013
<b>15'630'000.00</b>			

## RESIDENTIA

## Information on the effective rate of remuneration and ancillary costs

		Maximum contractual rate	Rate applied
<b>Remuneration of management company</b>			
for management fee	§ 20 of the fund contract	1.00%	0.955%
for issuing commission	§ 19 of the fund contract	5.00%	0.00% *
for redemption fee	§ 19 of the fund contract	5.00%	0.00% *
for property purchases or sales	§ 20 of the fund contract	2.00%	0.48%
for property management	§ 20 of the fund contract	6.00%	from 3.5% to 3.90%
<b>Remuneration of custodian bank</b>			
for securities custody, unsecured mortgage certificates and real estate equities	§ 20 of the fund contract	CHF 125.--	CHF 0.--
for administration, settlement of payment transactions and supervision of the fund management company	§ 20 of the fund contract	0.05%	0.05%
for annual product paid to investors	§ 20 of the fund contract	0.50%	0.50%

\* Neither subscription, nor redemption during the 2013 accounting year.