

AMC on ESG Real Estate Switzerland

Open end in CHF

These products are financial derivative instruments and cannot be classified as units of a collective investment scheme within the meaning of the provisions of the Federal Act on Collective Investment Schemes ("CEPA") and are not registered under these terms. Thus, the products are not subject to authorization or supervision by the Swiss Market Surveillance Authority FINMA ('FINMA'). As a result, investors do not benefit from the specific protection provided for in the ECPA. In addition, they are subject to issuer risk.



- ✓ Selection according to ESG criteria
- ✓ Quantitative management
- ✓ Participation in the performance of the Swiss real estate market

- ✓ Favorable taxation
- ✓ Diversified Portfolio
- ✓ Daily liquidity

Product description

The AMC Certificate on ESG Real Estate Switzerland offers the opportunity to invest in the Swiss residential or commercial real estate sector through real estate funds under Swiss law. The fund selection takes into account sustainability criteria. The risk/return profile of this product is comparable to that of the Basket of the selected investment funds. This product reinvests the income paid by the underlying funds.

The real estate funds held in the AMC that directly hold real estate are generally exempt to income tax or wealth tax on the portion of the fund's assets invested in real estate in Switzerland.

Investment strategy

The investment advisor's fund selection is based on a quantitative and proprietary model. This relies on two pillars. The first is based on fundamental criteria such as liquidity, structure of mortgage debt, profitability of investments, vacancy rates, impact of interest rates on profitability, analysis of mortgage rates, fund costs, structure of the real estate portfolio, geographical area, premium (agio) and type of buildings (residential or commercial).

The second pillar focuses on ecologically responsible criteria such as fund label, sustainability policy, energy policy, ecological approach during renovation, commitment approach to renewable energies, buildings according to the Minergie standard, governance approach of

Product at a Glance

Issuer	Luzerner Kantonbank AG (Rating: AA Standard & Poor's)
Investment Advisor	Finstoy SA
Product Type	LUKB Actively Managed Tracker Certificate (AMC)
Underlying	ESG Real Estate Switzerland Basket
Value / ISIN / SIX Symbol	112130951 / CH1121309517 / -
Issue price	CHF 100.00 (100% of the Initial Basket Level)
Initial Level of Basket	CHF 100.00
Treatment of income	Allocation to the cash position of any Basket component distribution
Product Currency	CHF
Date of Initial fixing / Date of Issue	01-12.11.2021 / 19.11.2021
Duration	Open End
Anticipation / Payoff	Increase / Participation

fund managers and social approaches. To do this, the algorithm uses a "best-in-class" method with a corresponding ranking of the investment funds according to ESG criteria.

The selection of the real estate funds is ultimately based on a combination of both pillars.

Reasons for the investment

- Participation in the Swiss real estate market taking into account ESG criteria
- Target a better performance in comparison to "buy and hold" investment
- Management of the portfolio according to objective and sustainable aspects
- Quantitative fundamental analysis
- Favorable taxation
- Diversification and daily liquidity

Key risks

- Investors assume the issuer risk
- This product does not provide any guarantee of capital. Thus, potential investors can lose all the capital invested

Taxation for private investors

Income and wealth tax	The funds held in the AMC, which have real estate in direct hold are generally exempt to income tax or wealth tax on the portion of the fund's assets invested in real estate in Switzerland.
Withholding tax	No
Stamp duty	No

Composition of the certificate at the Initial Fixing

Weighting	Funds	Description
15.00%	Credit Suisse Real Estate Fund LivingPlus A (CH0031069328)	Mainly residential real estate, Northwestern Switzerland region, largest Swiss real estate fund, ESG Compliance Label, launched in 2007.
15.00%	Realstone Swiss Property (CH0039415010)	Mainly residential properties in large and medium-sized urban centers in Switzerland, launched in 2008.
15.00%	Schroder ImmoPLUS (CH0395718866)	Commercial properties with potential for appreciation, well-developed locations and attractive locations, launched in 1997.
15.00%	Patrimonium Swiss Ref (CH0034995214)	Residential and mixed real estate as well as construction projects, Lake Geneva region, Freiburg, Bern and Basel, UNPRI certification, launched in 2007.
11.00%	Edmond de Rothschild Real Estate (CH0124238004)	Mainly focused on the residential sector, with a small share of office properties, cantonally diversified throughout Switzerland, covering ESG criteria, launched in 2011.
6.00%	Solvalor 61 (CH0002785456)	Mainly residential real estate in the center of Lausanne and Geneva, densification and maintenance of existing buildings in order to increase their value in a sustainable way, launched in 1961.
5.00%	Procimmo (CH0033624211)	Commercial real estate outside the city centers in buildings with high potential for appreciation and low rents, mainly in western Switzerland, ESG report, launched in 2007.
5.00%	Good Buildings (CH0142902003)	New or recently built residential properties, Aargau, Bern, Solothurn, St. Gallen region, ESG report, fund launched in 2011.
5.00%	Helvetica Swiss Commercial (CH0335507932)	Commercial real estate (offices and shops) throughout Switzerland, long-term vision with capital preservation and regular income, DGNB label, launched in 2016.
3.00%	Streetbox Real Estate (CH0037237630)	Construction, sale and rental of modular industrial plants for SMEs and private individuals, mainly in French-speaking Switzerland, ESG report, launched in 2009.
2.00%	Bonhote Immobilier BIM (CH0026725611)	Portfolio of valuable, dynamically managed properties, buildings with above-average return prospects, launched in 2006.
3.00%	Cash	

The current composition of the basket can be requested from the issuer at any time or on the issuer's website at the following address:

structuredproducts.lukb.ch

Additional information

The Factsheet summarizes the key features of this product. Additional and more detailed information is provided in the final terms and in the base prospectus. The terms and conditions of the product in this document are indicative and may be modified by the issuer. Only the final terms and the base prospectus in their currently valid version will form the complete and legally valid documentation of these products ("Product Documentation").

This factsheet is for advertising and information purposes only and does not constitute an offer. The Product Documentation as well as the Key Information Document can be obtained directly from Luzerner Kantonalbank AG by telephone +41 44 206 99 55 or by e-mail: produitsstructures@lukb.ch. Sales restrictions may apply to the EEA, the United States and its nationals, and the United Kingdom. Potential investors must ensure that they have the necessary knowledge to assess and understand the risks and benefits of an investment in the product, but also to understand the relevance of such an investment according to their own capabilities, investment objectives, fiscal and financial situation by calling on their own financial, accounting, legal and financial professional advisers. Any reproduction - total or partial - of texts or images requires the prior consent of Luzerner Kantonalbank AG. We accept no liability for unsolicited delivery. Communications on this line are recorded. When you call us, we consider that you accept this recording. © 2021 Luzerner Kantonalbank. All rights reserved.