

INVESTOR TEASER | Q2 2024

FOR QUALIFIED INVESTORS ONLY

THE OPPORTUNITY

The current global crisis stressed out the resilience of the Swiss economy and the sustainability of its political and financial infrastructures. SREO proposes direct investments in value-add and opportunistic commercial real estate and performs active asset and project management, including development, asset repositioning or conversion with significant capital expenditures needs (e.g. renovation, conversion, heightening, space optimising, etc.) to extract as much value as possible and deliver it to its investors ultimately.

Arab Bank (Switzerland) Ltd. ("ABS") and Swissroc Asset Management SA ("SRAM") respectively acting as portfolio and asset managers of the fund have decided to enter into a strategic partnership and combine their complementary expertises to offer a unique mix of competences to SREO. This partnership will benefit SREO's investors to deliver a strong performance over the fund's duration.

THE INVESTMENT STRATEGY A three pillars philosophy

CAREFULLY SELECTED SWISS LOCATIONS

Exclusive investment in Switzerland's key economic regions, encompassing technology or logistic hubs. The focus leans towards city centers and urban areas that boast excellent connectivity.

All assets will be compatible with the Swiss federal law relating to the acquisition of real estate properties by foreigner (the "LFAIE" or "Lex Koller")

A BALANCED ALLOCATION OF CAPITAL

SREO's target strategic split is 50% Value-Add and 50% Opportunistic. This dual approach ensures diversification and capturing both stable and high-growth potential opportunities.

TARGETS WITH VALUE-CREATION POTENTIAL

SREO focuses on individual properties with a Fair Market Value ranging from CHF 10m to CHF 30m. Targeted assets must have inherent value-add potential which can be amplified through tactical and active asset management.

SREO's overarching strategy is to extract maximum value from asset with the adequate balance of capital allocation and risk appetite.

THE OFFERING

A UNIQUE OPPORTUNITY TO ACCESS THE SWISS REAL ESTATE MARKET AT ATTRACTIVE RETURNS

STRATEGY	Value-Add, Opportunistic
LOCATION	Key strategic locations across Switzerland
STRUCTURE	SICAV-SIF regulated by CSSF under the AIFM (Luxembourg)
MANAGERS	ABS as Fund Manager and Swissroc as Asset Manager
TARGET RETURNS	net IRR of 12-15% / net ROE x2
TARGET SIZE PORTFOLIO	5-10 properties for a total value of CHF 250m
MINIMUM SUBSCRIPTION AMOUNT	CHF 100k

MAIN OBJECTIVES

FINANCIAL RETURNS & DIVERSIFICATION

Achieve financial returns through selective, yet balanced asset diversification. The focus lies on tangible products, specifically commercial real estate, that offer a blend of recurring income streams and material value-creation potential, with lucid strategies established at time of asset purchase.

ASSET-BACKED PROTECTION & HEDGE

Safeguard investments against the vagaries of rising inflation and potential market downturns.

UNDERLYING RESILIENCE & STABILITY

Capitalize on the enduring nature of the Swiss market and the historic stability of the Swiss franc.

TAX EFFICIENCY

Present a tax-efficient structure for shareholders (exempt from any taxation in Luxembourg). It is however recommended they consult their personal tax advisors.

UNPARALLELED MOMENTUM AND MARKET OPPORTUNITY

A GLOBAL SAFE HARBOR

The current global crisis stressed out the resilience of the Swiss economy and the sustainability of its political and financial infrastructures.

MACRO STRENGTHS

Key macro trends such as ageing building versus new need & standards, large institutional portfolio repositioning, demographic pressure, etc.

OVERLOOKED OPPORTUNITIES

Commercial real estate alleviates foreign investment restriction (LFAIE law). Switzerland benefits from a lot of overlooked opportunities that need a complete refurbishment (e.g. ESG norms, new modern standards, etc.).

SKIN IN THE GAME

ABS & Swissroc have invested CHF 10m along with all SREO investors to ensure a good alignment of interest ; we have raised CHF 42m at the initial closing and aim at raising CHF 100m by year-end

COMPETITIVE ADVANTAGES

Luxembourg regulated structure (SIF) in CHF with AIFM regulation. To date, there is no real competition on the value-add/opportunistic segment

INVESTMENT STRATEGY

Direct investments in value-add and opportunistic commercial real estate - Active asset and project management, development, asset repositioning or conversion with significant capital expenditures (CAPEX) needs (e.g. renovation, conversion, heightening, space optimising, etc.) - Certified ESG compliant buildings.

OUTSTANDING PERFORMANCES

Targeted net IRR 12-15% corresponding to an ROE x2 (targeted fund NAV: CHF 250m, with maximum leverage of 65%).

TOP GOVERNANCE

Mobilized respective group resources to define efficient operating processes. A Joint Operating & Investment committee is in charge of selecting the assets, reporting and escalating to the Fund board, the Regulator and the Tax Authorities.



FUND TERMS

TARGET FUND SIZE	c. CHF 250m
TARGET NAV	c. CHF 125m All properties and property rights held by SREO or any direct or indirect subsidiary of SREO shall be valued by an external valuer at acquisition and thereafter at least once per Financial Year.
STRUCTURE	Closed-end SICAV-SIF regulated by CSSF under the AIFM (Luxembourg)
SUBSCRIPTION	maximum nine (9) months
DURATION	Open-ended with 5 years lock-up period (targeted maturity)
INVESTMENT PERIOD	From initial closing until three (3) years after final closing
ELIGIBLE INVESTORS	<ul style="list-style-type: none"> ■ Qualified Investors under the SIF Law ■ In Switzerland, to professional clients within the meaning of the Swiss Financial Services Act ■ To the exclusion of any US Person
MIN. INVESTMENT	<ul style="list-style-type: none"> ■ Share Class A: CHF 100'000.- ■ Share Class B: CHF 1'000'000.- ■ Share Class C: CHF 5'000'000.-
MANAGEMENT FEES	<ul style="list-style-type: none"> ■ Class A 1.2% / Class B 1.0% / Class C 0.8% on GAV ■ Performance fees of 20% above Rate of Return of 8%
REPORTING	<ul style="list-style-type: none"> ■ Quarterly Performance Reports ■ Annual Audited accounts ■ INREV Standards
TARGET RETURNS	Net IRR on investors' contributed capital: 10-15% over 5 years

EXCLUSIVE PARTNERSHIP

Arab Bank (Switzerland) Ltd. ("ABS") and Swissroc Asset Management SA ("SRAM") respectively acting as portfolio and asset managers of the fund have decided to enter into a strategic partnership and combine their complementary expertises to offer a unique mix of competences to SREO. This Partnership will benefit SREO's investors to deliver a strong performance over the fund's duration.

ABS and SRAM pool their resources and set up a common investment committee for SREO.



- Known for its expert knowledge and diverse skill set that spans the entire real estate value chain, Swissroc Group has established itself as a trusted partner for both institutional and private clients.
- 7 subsidiaries: Architecture (SRA), Development (SRD), Construction (SRD), BMI (SRI), Brokerage (SRP), Design (SRSR) and Asset Management (SRAM)
- 200 seasoned professionals across 4 offices in Europe
- 120k sqm under construction, 300 homes and +100 projects delivered in Western Switzerland
- Swissroc Asset Management (SRAM):
 - 3 product & service lines: Mandate & Advisory, Direct Investment (Club-deals), Thematic Strategies
 - 12 club deals delivered or in-flight
 - CHF 200m NAV Swiss Industrial Opportunities vehicle (SIO-CH)

- FINMA-regulated Swiss bank, headquartered in Geneva, offering traditional wealth management services for high-net-worth individuals.
- In 2022, Arab Bank (Switzerland) Ltd. and Gonet & Cie SA signed a strategic business partnership agreement, combining their products and services in the interest of their respective clients. The partnership represents an aggregated CHF 12 bn of AUM.
- 10 year track record delivering 8%+ net IRR
- 2 real estate investment funds
- 2 club deals in Switzerland
- Total € 500m real estate value



FUND MANAGEMENT

PORTFOLIO MANAGER
Arab Bank (Switzerland) Ltd.

ASSET MANAGEMENT

ASSET MANAGER
Swissroc Asset Management SA

GOVERNANCE

VALUATORS
Wüest Partner, JLL, CBRE

EXTERNAL AIFM
Pandoo Management

CENTRAL ADMINISTRATION
Pandoo Administration

DEPOSITARY
European Depository Bank SA

AUDITOR
Deloitte

LEGAL ADVISOR
KL Gates Volckrick, Baker & McKenzie

ACCOUNTING & TAX ADVISOR
EY

DOMICILIATION
Fidupar SA

PORTFOLIO OVERVIEW & INVESTMENT PIPELINE

The showcased portfolio is an illustrative example of our vision, subject to change based on emerging opportunities.

BREEZE - BASEL



REFURBISHMENT OF A VERY LOCATED HOTEL

Strategically located in the Swiss hometown of pharmaceutical and chemical companies (Roche, Novartis) with excellent transportation networks corner to France and Germany.

Existing asset with strong potential for a full re-furbishment into a prime 4 stars hotel including an energetic renovation.

Asset : Hospitality building (4'000 sqm)

Strategy: Value add

Price : CHF 12-15 M

Capex CHF 14-17 M

IRR : 17% - duration 3,5 years

KINGCROSS - GENEVA



Asset : Office building (10'000 sqm)

Strategy: Opportunistic

Price : CHF 25 M

Capex CHF 50-60 M - Sale : CHF 90-100 M

IRR : 16% - duration 4,5 years

DEVELOPMENT OF MIXED-USE ASSET IN A NEW DYNAMIC DISTRICT

Located in Geneva, the projects benefits from a stellar micro-location in a newly transformed district with direct access to a new inter-districts train station.

The project is secured with an acquisition timing in line with the vehicle timeline.

Acquisition, development, and construction of a new mixed-use commercial building, with a building permit. Manage the commercialisation of the asset to the future tenants. Sale of the project to an institutional investor once delivered and fully let to maximize the profits.



STUDY SPACE - LAUSANNE

REPOSITIONING OF AN ASSET INTO A STUDENT HOUSING

Located in Lausanne city center, near many prestigious universities, the asset benefits from immediate access to the lake and excellent connectivity by road and public transportation. Revitalisation of an aging office site with an energetic renovation and the development of student apartments with tailored services.

Asset : Student housing (1'400 sqm)

Strategy: Value Add

Price : CHF 8-10 M

Capex CHF 6-8 M

IRR : 15% - duration 4,5 years



CAT - ZURICH

DEVELOPMENT OF A CRAFT AND STORAGE BOXES

Positioned in the southern region of Zürich, close to the A3 highway, the property features 44 light industrial units tailored for a diverse tenant base.

Acquisition, development and construction of 22 units, with building permits already submitted in Q4 2023 and strong pre-reservation rate.

Asset : Craft and storage (3'500 sqm)

Strategy: Opportunistic

Price : CHF 4-5 M

Capex CHF 5-9 M - Sale : CHF 18-20 M

IRR : 15% - duration 3 years



SNOWFLAKE - CRANS MONTANA

DEVELOPMENT OF A MIXED-USE HUB IN THE ALPS

Visionary concept located in one of the most prestigious Swiss Alps ski resorts. A unique lifestyle and elevated experience.

Pure greenfield opportunity to develop a cutting-edge resort with an ambitious energy concept to reach the latest ESG standards.

Asset : Mixed-use (15'000 sqm)

Strategy: Opportunistic

Price : CHF 2-5 M

Capex CHF 50-60 M - Sale : CHF 75-85 M

IRR : 18% - duration 5 years

MARKET INSIGHTS – WHY SWITZERLAND?

MATURE REAL ESTATE MARKET

Switzerland boasts a well-established and transparent real estate market, backed by a robust legal framework.

PRIME LOCATIONS

Given Switzerland's compact size, numerous locations offer prime real estate opportunities, from bustling urban centers like Zurich and Geneva to picturesque locales in the Alps.

LOW VACANCY RATES

Switzerland's cities have low vacancy rates, ensuring steady rental.

DIVERSIFIED ECONOMY

Switzerland's diverse economy ensures a broad tenant base for commercial real estate, reducing dependency on a single sector. rental.

SUSTAINABLE BUILDING PRACTICES

Swiss construction standards often emphasize sustainability and energy efficiency, which ensures long-term asset value preservation.

HISTORIC STABILITY

Switzerland's political and economic environments are among the most stable globally.

STRENGTH OF THE SWISS FRANC

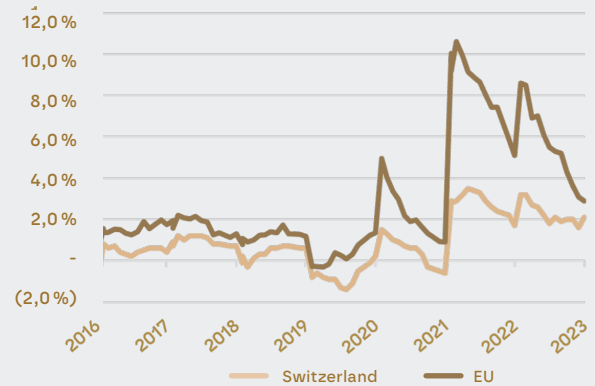
The Swiss Franc (CHF) is often regarded as a 'safe-haven' currency, demonstrating remarkable resilience, especially in today's economic uncertainty.

FINANCING OPPORTUNITIES

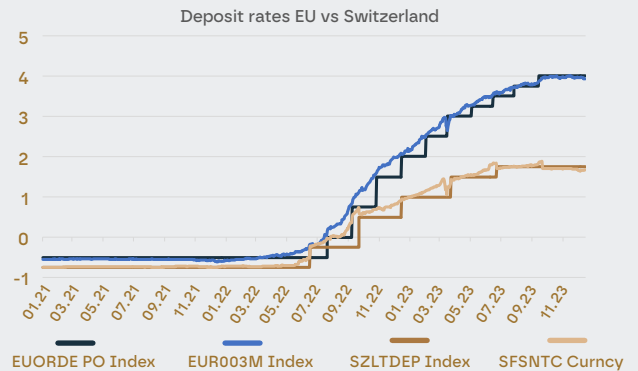
The Swiss financial system, complemented by its robust regulatory framework, provides ample opportunities for investors to obtain leverage. This not only enhances the potential for increased returns but also allows for strategic financial structuring to optimize performance.

SWITZERLAND HAS A MORE CONTROLLED INFLATION THAN THE EU

(+3.0% IN SWITZERLAND VS 9.2% IN EU IN DECEMBER 2022)



BETTER FINANCING CONDITIONS IN SWITZERLAND THAN IN THE EU 2021-2023



TARGET PORTFOLIO CHARACTERISTICS

TARGET ASSET SIZE (UPON ACQUISITION)	CHF 10-30m
TARGET STRATEGY	Value-Add, Opportunistic
TARGET GEOGRAPHICAL LOCATION	Switzerland: Key Economic Regions, Focus on City-Centers and Urban Areas with excellent Connectivity
TARGET INVESTMENT HORIZON	5-year investment period
TARGET SECTORS	Commercial, Office, Hospitality, Innovation Hubs, Serviced Spaces (Student, Leisure, Short-Term), Logistics, Retail, User-Focused Places, Retail, Mixed-Use
PROJECT/ASSET MATURITY	Greenfield (with permit), brownfield, development project, existing building
TARGET LTV	50-65%
TARGET MINIMUM WALT AND OCCUPANCY	n/a
DEAL TYPES	Open to both Asset Deals and Share Deals
SINE QUA NON CONDITION	Lex Koller Restriction (LFAIE)

FOUNDING TEAM

FUND MANAGER

Arab Bank (Switzerland) Ltd.
realestate@arabbank.ch
+41 22 715 12 11

ASSET MANAGER

Swissroc Asset Management SA
sram@swissroc.com
+41 22 552 30 12

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an AIF, they either have assets of at least CHF 500,000 (five hundred thousand Swiss Francs) and sufficient knowledge to assess the investment's risk based on their education and professional experience or comparable experience in the financial sector, or that they have assets of at least CHF 5,000,000 (five million Swiss Francs) at their disposal. In the latter case, the required assets of CHF 5,000,000 (five million Swiss Francs) may also include real estate holdings of up to a maximum of CHF 2,000,000 (two million Swiss Francs) in net value (market value less any mortgage on the property). "Comparable experience" may be assumed if the investor has conducted transactions of significant size in the relevant markets at an average frequency of ten per quarter over the previous four quarters. Independent asset managers are not considered qualified investors themselves, although distribution to their clients is deemed to be distribution to Qualified Investors, but it is still possible to approach them if they undertake in writing to use the information received only for clients who are Qualified Investors within the meaning of article 10 CISA.

SREO

SWISS REAL ESTATE OPPORTUNITIES