

RESIDENTIA

Swiss investment fund, "property funds" category

NEW 2015 ISSUE OF UNITS

Subscription period:	Runs from 7 September to 15 September 2015 closing at 5pm	
Subscription ratio:	Two current units allow the holder to subscribe for one new RESIDENTIA unit	
Subscription price:	CHF 112.56.- net per new unit	
Payment	18 September 2015	
Fund management company:	FidFund Management SA, Nyon, Switzerland	
Custodian bank:	Cornèr Banca SA, Lugano, Switzerland	
Clearing:	SIX SIS SA, Olten, Switzerland	
ISIN number:	Units:	10061233 / CH0100612339
	Subscription rights:	28978338 / CH0289783380

Fund Management Company:

fidfund
MANAGEMENT SA

Custodian Bank:

This Prospectus does not constitute a recommendation to buy or sell this investment instrument. This security may not be sold in any jurisdiction in which such a sale would be unlawful. The risks involved with certain securities are not suitable for all investors.

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2. IMPORTANT NOTICE

2.1 Contents of the Prospectus

RESIDENTIA is a Swiss investment fund in the “property funds” category. Neither the publication of this Prospectus nor any transaction based thereon implies that no changes have occurred to RESIDENTIA since the time this Prospectus was written, or that the information contained herein is complete and correct at any time subsequent to the publication of this Prospectus.

Forward-looking statements included in this Prospectus contain forecasts, estimates and projections that are based on information available to the management company at the time of its writing. Forward-looking statements reflect the management company's current views and expectations. They are not historical facts and do not express any guarantee as to RESIDENTIA's financial situation, business activities, earnings or future performance. A variety of factors, risks and uncertainties could substantially affect the future expectations reflected in these statements, including:

- Interest rate fluctuations;
- Changes in the economy;
- Legislative, regulatory changes or practices in the cantons where RESIDENTIA is active;
- Unstable domestic or foreign financial markets;
- Fluctuations in commodity prices;
- Serious influences on consumer behaviour arising from various events such as infectious diseases, acts of war or terrorist attacks; and
- Changes in the general political, economic, commercial, financial, monetary and stock market conditions.

Words such as “believe”, “expect”, “anticipate”, “intend to”, “plan”, “estimate”, “project”, “could” and “may likely” as well as any variation of these terms may denote forward-looking statements in this Prospectus. However, such forward-looking statements cannot be expressly meant by such terms.

The management company and the custodian bank are under no obligation to update such statements in future versions of this Prospectus even if new information, new events or other circumstances make them incorrect or incomplete. Any subsequent forward-looking statements, both written and oral made by RESIDENTIA, must be fully understood in terms of the above-mentioned factors.

The management company has not given any authorisation to disclose information or make any statements other than those contained in this Prospectus, and if such information were to be disclosed or such claims made, they should not be considered authorised.

2.2 No recommendation available

If an investor decides to buy or sell RESIDENTIA units, he must rely on his own analysis of the pros and cons involved in this decision. Before making any investment decision, the investor should pay particular attention to evaluating his risk profile and to examining the risks specific to RESIDENTIA units; he should inquire about such inherent risks by consulting the “Specific risks to security trading” brochure issued and revised by the Swiss Bankers Association, available at the following internet address:
http://www.swissbanking.org/fr/shop_popup.htm?ID=11308.

3. DISTRIBUTION AND SALES RESTRICTIONS - RESTRICTIONS DE DISTRIBUTION OU DE VENTE

3.1 *In general*

This offering circular (hereinafter the “Prospectus”) does not constitute an offer to subscribe to securities other than those it refers to. It does not constitute an offer to subscribe to RESIDENTIA units in any circumstances where such an offer or invitation would be unlawful. **No actions have been taken to register or qualify the RESIDENTIA units, or otherwise permit their public offering in any jurisdiction outside Switzerland.** The distribution of this Prospectus and the offering and sale of RESIDENTIA units in certain jurisdictions may be restricted or prohibited by law. Persons in possession of this Prospectus are required by the management company and the custodian bank to inform themselves and observe any such restrictions.

Ce prospectus ne constitue pas une offre de vente ou la sollicitation d’une offre de souscrire à des valeurs d’autres que celles auxquelles il se réfère. Il ne constitue pas non plus une offre de vente ou la sollicitation d’une offre de souscrire à des parts du RESIDENTIA dans des circonstances où une telle offre ou sollicitation serait illégale. **Aucune mesure n’a été prise pour enregistrer ou autoriser les parts du RESIDENTIA ou pour permettre d’une quelconque autre manière une offre publique des valeurs dans d’autres juridictions qu’en Suisse.** La distribution de ce prospectus, l’offre et la vente des parts du RESIDENTIA peuvent être limitées ou interdites par la loi dans certaines juridictions. La direction de fonds et la banque dépositaire demandent aux personnes qui sont entrées en possession de ce prospectus de se renseigner sur l’existence de telles interdictions dans leur juridiction et de se conformer à celles-ci.

3.2 *USA, US persons*

RESIDENTIA has not and will not be registered in the United States according to the United States Investment Company Act of 1940. Units of RESIDENTIA have not and will not be registered in the United States according to the United States Securities Act of 1933 (hereinafter: the “Securities Act”). Therefore, units of RESIDENTIA may not be offered, sold or distributed within the USA and its territories or to US persons as defined in the Securities Act.

No information about RESIDENTIA constitutes either an offer to buy or sell in a country in which this type of offer or solicitation is unlawful, or in which a person making such an offer or solicitation does not hold the necessary authorisation to do so. No information about RESIDENTIA is directed at such persons where the law prohibits this type of offer or solicitation from being made.

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4. SUBSCRIPTION OFFER

4.1 Units issued

Acting as RESIDENTIA's management company, FidFund Management SA in Nyon, Switzerland has decided to issue, on a "best efforts" basis,

A maximum of 341,940 RESIDENTIA units
(Rounded down to the lower unit)

Current unitholders may subscribe to new units in the following manner:

4.2 Subscription period

The subscription period runs from 7 September 2015 to 15 September 2015, closing at 5.00 pm.

Subscription rights unexercised within that period will be void, without value or compensation. Exercising a subscription right is irrevocable.

4.3 Subscription ratio

Two current units allow the holder to subscribe for one new RESIDENTIA unit.

The number of new units issued will be determined according to the amount of subscriptions received by the management company after the subscription period closes. The total issue may, therefore, be less than 341,940 units.

The new subscription price is subject to fluctuation depending on demand.

4.4 Subscription price

The subscription price is **CHF 112.56.** - net per new RESIDENTIA unit.

The issue price was determined in accordance with the fund contract. It is based on the 30 June 2015 NAV of CHF 1119.50 per unit, that is to say CHF 111.95.- after the split made on 29th July 2015 of 1 old unit for 10 new units (after deducting a distribution carried out in the 2014-2015 fiscal year of CHF 1.68.- per unit after split) and takes into account changes in property values, participation in ongoing earnings (i.e., for the period from 1st July 2015 to 18th September 2015) and an issuance commission of 1.5%.

4.5 Exercising subscription rights

For investors holding their units on deposit at a bank, the subscription rights are directly recorded in their account. Exercise of subscription right takes place according to the depositary bank's instructions.

4.6 Trading subscription rights

Subscription rights will be traded on the SIX Swiss Exchange, from 7 September 2015 to 14 September 2015.

4.7 Payment

Payment of the new units will take place on 18 September 2015.

4.8 Selling restrictions

USA / US Persons. No steps have been taken to register or authorise RESIDENTIA units or to enable such a public offering of securities to take place in jurisdictions outside Switzerland.

In the USA, Canada, Japan, Australia, the European Economic Area (EEA) or in any other country where the units may not be offered, sold, acquired or delivered, it is the sole responsibility of the investor to consult his professional investment advisor or the competent authorities to determine whether he can participate in this offering; it is also his responsibility to obtain further information in order to comply with formalities.

4.9 Delivery of securities

The units are not issued in certificate form, only in registered form. The investor is not entitled to require the issuance of a certificate.

4.10 Dividend entitlement

New units give entitlement to dividends from 1 July 2015 for the 2015 financial year.

4.11 Listing of units

New units will be listed from 18 September 2015 on the SIX Swiss Exchange under number 10061233. Units are subject to market fluctuations according to supply and demand, influencing its NAV on the upside (*agio*) and on the downside (*disagio*).

5. GENERAL INFORMATION ABOUT RESIDENTIA

5.1 Use of the issue proceeds

The objective of this new issue is to continue developing the quality of the Fund's property portfolio and making further value-added investments in portfolio properties. Specifically, RESIDENTIA has selected and secured residential buildings located in major urban centres (or close by) these areas, and will also extend certain properties held in the fund.

Mortgage commitments have reached their legal limit following the Fund's latest purchase of a building. As a first step, these will be reduced to provide the Fund more financial flexibility.

5.2 Target property market

The Ticino property market is focused in four main localities: Lugano, Locarno, Bellinzona, and Mendrisio-Chiasso.

The main one, Lugano, has a high concentration of commercial buildings in the city centre. Its residential area, close to the centre, also extends far beyond the city limits.

The other localities, on the other hand, have residential areas that can lie directly in the heart of their downtown districts.

The Fund's holdings located in these residential areas is largely comprised of buildings constructed between the 1960s and the 1990s, where housing demand remains steady.

The Graubünden property market may be considered similar to that of Ticino. However, apart from Chur, the other main centres of the Canton are significantly linked to tourism. This situation has created market tension, in particular in the Engadin Region.

5.3 RESIDENTIA

RESIDENTIA'S primary objective is to maintain its long-term investment holdings and appropriately distribute their income through the creation of a portfolio of stable dynamically managed assets. To this end, the Fund will invest in buildings potentially offering above-average returns.

The Fund will seek to provide investors net annual yields higher than the reference rate, which is the mortgage lending rate the custodian bank offers at fixed terms of five years.

RESIDENTIA invests in property located in the south of Switzerland. The "south of Switzerland" refers to buildings located in the Ticino Canton and the Graubünden Canton, both part of the Swiss Confederation.

RESIDENTIA is managed by a team of committed professionals with boots on the ground, monitoring on a daily basis the business and technical aspects of each building. The team focuses intensely both on developing the buildings and reducing costs through strict management.

At 31 December 2014, RESIDENTIA reported the following results:

Total Net Assets	CHF 75,712,234.11
Total Gross Assets	CHF 113,291,409.35
NAV per unit	CHF 1,107.10
Distributed earnings	3.06%
Annualised TER (Total Expense Ratio)	1.52%
Number of buildings	15
Loss of earnings rate	6.30%
Theoretical yield over discounted cash flow (DCF) including construction	5.09%
Debt ratio	31.35%
Total returns from 01/07/2009 to 31/12/2014	28.25%

5.4 RESIDENTIA'S outlook

Over the past few years, the Ticino market has shown steady progress confirming the Swiss property market as one of the few financial sectors offering the advantage of both assured profitability and relative stability. The Fund will thus pursue its policy of acquiring undervalued residential properties, concentrating on their potential profitability.

To make the most of this framework, the Fund decided to carry out a capital increase. This will enable it to seek new acquisition opportunities purchased with limited debt leverage and at extremely low interest rates. A number of targets have already been identified.

The current tenancy schedules of the properties held in the Fund's portfolio also show potential to increase their rental margins, and this will be carried out on a gradual basis as renovations are made and tenants change. A steady increase in distributed dividends can be expected in the future.

6. OTHER DOCUMENTS AND ANNEXES

The present prospectus (starting from page 11) contains the prospectus, including the Fund agreement, in French.

The 31 December 2014 Annual Report as well as the 30 June 2015 Interim Report are an integral part of this prospectus. They may be obtained free of charge from the management company (see below point 7.1). Past performance does not guarantee future or current results.

7. CONTACTS

7.1 Management Company

Mailing address:	FidFund Management SA, Case postale 2309, 1260 Nyon 2, Switzerland
Telephone:	+41 (0)22 704 06 10
Fax:	+41 (0)22 704 06 20
E-mail:	immo@fidfund.com
Website:	www.fidfund.com

7.2 Custodian Bank

Mailing address:	Cornèr Banca SA, Via Canova 6, 6900 Lugano, Switzerland
Telephone:	+41 (0)91 800 59 52
Fax:	+41 (0)91 800 55 33
E-mail:	funddesk@corner.ch

7.3 Promoter

Mailing address:	Studio Fiducario Pagani SA, Corso Pestalozzi 3, 6901 Lugano, Switzerland
Telephone:	+41 (0)91 605 40 00
Fax:	+41 (0)91 921 32 77
E-mail:	immo@residentia.ch
Website:	www.residentia.ch

8. RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

FidFund Management SA assumes all liability for the prospectus' content and declares that, to the best of its knowledge, the information contained in this prospectus is accurate and no material facts have been omitted. It certifies that, to its knowledge and after making all reasonable inquiries, the information herein is consistent with the facts and that, aside from the information contained in this prospectus, no facts likely to significantly alter the financial situation of RESIDENTIA have emerged.

Nyon and Neuchâtel, 3 September 2015

The Management Company

FidFund Management SA

The Custodian Bank

Cornèr Banca SA

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