



## Collective Personal Mortgage

Status 12.12.2023

## Reduce your tax burden with a «collective personal mortgage» and achieve an attractive return on your investment at the same time

### How does this work?

Through a «collective personal mortgage», you can use your pension assets to finance home ownership. You take out a variable-rate mortgage with the Liberty Investment Foundation and at the same time your pension assets are invested in the Foundation. Your mortgage is funded by your own investment, and you benefit from an attractive return with minimal risk.

### Example calculation with a mortgage of CHF 1 million

Interest on mortgage <sup>1</sup>	2.25%	CHF 22'500
- Foundation fee	0.30%	CHF 3'000
= Expected annual return of the Investment Foundation	1.95%	CHF 19'500

The product costs of investing in the Liberty Investment Foundation is 0.30%. As an investor, you realize an expected return of 1.70% (interest - costs = return).

The recurring tax deduction of your mortgage interest of CHF 20'000 results in an additional **annual** tax saving of CHF 5'000 (assuming a marginal tax rate of 25%).

### Fees

Foundation product, p.a.	0.30%
Mortgage verification fee <sup>2</sup> , one-off	CHF 1'200

### Advantages

- ✓ You benefit annually from a tax deduction. The paid interest for your mortgage can generally be deducted from your taxable income.<sup>3</sup>
- ✓ Attractive tax-free return on your investment in the Liberty Investment Foundation.

### Requirements<sup>4</sup>

- You hold pension assets with the Liberty Foundation for Vested Pension Benefits or the Liberty 1e Flex Invest Foundation
- You own residential property in Switzerland (owner-occupied or rented)
- The minimum mortgage amount is CHF 300'000
- The regulations on affordability and mortgage lending must be met
- The invested pension assets and the mortgage must be of equal amount
- Up to a maximum of 50% (Vested Benefits Foundation) or 85% (1e Foundation) of your pension assets can be invested in the Liberty Investment Foundation

For further information please contact our client service.

<sup>1</sup> Reference mortgage interest rate + 0.50%, status 12.12.2023

<sup>2</sup> Charged even if the transaction is not closed

<sup>3</sup> Please consult a tax advisor about the tax effects

<sup>4</sup> This list is not exhaustive