

## Media Release

for immediate release

Zurich, 28 August 2018

### **SF Sustainable Property Fund Successful 2018 interim result**

- **Portfolio value grew by 9.4% to CHF 857.1 million**
- **Realised income up by 25.4% to CHF 12.5 million**
- **Net assets up by 31.2% to CHF 770.8 million**

The portfolio's overall value increased by CHF 73.8 million compared to year-end 2017 to CHF 857.1 million. Transactions as well as ongoing new rentals and re-lettings at market rates helped significantly boost expected net rental income from CHF 12.0 million as at 30 June 2017 to CHF 17.6 million as at 30 June 2018. With acquisitions in Lucerne and Emmen, the fund has expanded into Central Switzerland.

#### **Real estate portfolio**

The capital increase in March/April 2018 brought in new assets of CHF 197.9 million gross to the fund. Five properties were acquired for CHF 63.6 million in the first half of 2018. This means that the portfolio now has 71 properties with a market value of CHF 857.1 million. With two purchases in the canton of Lucerne, the fund has also expanded into Central Switzerland. A new-build was completed in Unterkulm by mid-year. The 36 apartments were built to a modern and contemporary standard and have been ready for tenants to move into since 1 July 2018. In Lausen, the residents' community of Lausen approved the district plan on 14 March 2018. The cantonal government still needs to give its consent for final approval. At the end of the period vacancy rates (without construction projects) stood at 5.3%.

### **Financial result**

Actual rental income in the current 2018 financial year went up by 42.9 % from CHF 11.4 million to CHF 16.3 million thanks to attractive new acquisitions and ongoing new rentals. Realised profit as at 30 June 2018 rose by 25.4% from CHF 10.0 million to CHF 12.5 million. At the end of the reporting period, net fund assets stood at CHF 770.8 million, a rise of CHF 183.1 million compared to 2017. After the capital increase in March/April 2018, the debt finance ratio temporarily fell to 5.59% (30 June 2017: 18.96%). Thanks to improved annual results in 2017, the fund increased its dividend from CHF 3.50 to CHF 3.80 per share in March 2018.

### **Outlook for second half of 2018**

The fund's growth strategy is being driven forward in the second half of 2018. The remaining funds from the capital increase in March/April 2018 will be used for more transactions. The fund is seeking building approval for the new-build project in Lausen before year-end 2018. Negotiations for another new-build project in the canton of Bern are nearing completion. The total refurbishment of the two properties in Bahnhofstrasse 25/29 in Oberglatt and Bahnhofstrasse 21 in Rümlang will begin in the third quarter of 2018. They are being completely overhauled and will have a C rating under CECB (Cantonal Energy Certificate for Buildings) as per the energy measures, thereby meeting all of the fund's investment criteria. Building work is due to begin in the third quarter of 2018. Completion is scheduled for the first quarter of 2019. The improvements will make a significant contribution towards achieving the federal government's intended energy targets. Particular attention is being paid to the reduction in vacancy rates. In this respect, the initial letting of the new-build and the re-letting of the regeneration properties remain top priorities.

### **Further Information**

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### **SF Sustainable Property Fund**

The SF Sustainable Property Fund invests in existing real estate and projects in the whole of Switzerland. The strategy is to optimize the sustainability of its buildings throughout their life cycle. The fund invests primarily in real estate, which can be brought up to the ecological, sociological and economic criteria of the fund within seven years. Additional information can be found on [www.sfp.ch](http://www.sfp.ch).

# KEY REAL ESTATE FUNDS FIGURES AS AT 30 JUNE 2018

Rent defaults rate <sup>1</sup>	Unit	30 June 2018	30 June 2017
Expected net rents	CHF	17 583 292	11 977 661
Rent defaults	CHF	1 297 959	523 794
<b>Rent defaults rate</b>	<b>%</b>	<b>7.38</b>	<b>4.37</b>

Borrowing ratio <sup>1</sup>		30 June 2018	30 June 2017
Borrowed capital	CHF	47 930 000	139 650 500
Market value of land	CHF	857 146 000	736 701 000
<b>Borrowing ratio</b>	<b>%</b>	<b>5.59</b>	<b>18.96</b>

Dividend yield <sup>1/2</sup>		30 June 2018	30 June 2017
Dividend per unit <sup>3</sup>	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	131.30	141.80
Distribution yield <sup>3</sup>	%	n/a	n/a
<b>Payout ratio<sup>3</sup></b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>

EBIT margin <sup>1</sup>		30 June 2018	30 June 2017
EBIT	CHF	10 847 599	8 221 963
Rental income	CHF	16 285 333	11 393 118
<b>EBIT margin</b>	<b>%</b>	<b>66.61</b>	<b>72.17</b>

Fund operating expenses ratio (TER <sub>REF</sub> )		30 June 2018	30 June 2017
Operating expense (12 months)	CHF	5 736 368	3 388 393
∅ Total fund assets	CHF	797 334 065	559 971 944
∅ Market value	CHF	718 714 928	532 843 558
∅ Net fund assets	CHF	617 658 338	440 317 741
<b>TER REF (GAV)<sup>1</sup></b>	<b>%</b>	<b>0.72</b>	<b>0.61</b>
<b>TER REF (MV)<sup>1</sup></b>	<b>%</b>	<b>0.80</b>	<b>0.64</b>
<b>TER REF (NAV)<sup>3</sup></b>	<b>%</b>	<b>0.93</b>	<b>0.77</b>

<b>Return on equity (ROE)<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Total profit	CHF	9 861 527	11 025 503
Net fund assets at beginning of reporting period	CHF	779 777 442	566 759 730
+ Balance of unit transaction at principal value			
<b>Return on equity (ROE)</b>	<b>%</b>	<b>1.26</b>	<b>1.95</b>
<b>Agio / Disagio</b>	<b>%</b>	<b>12.38</b>	<b>22.05</b>
<b>Performance</b>	<b>%</b>	<b>- 0.75</b>	<b>11.74</b>

<b>Investment yield<sup>1/2</sup></b>		<b>30 June 2018</b>	<b>30 June 2017</b>
NAV at beginning of period	CHF	118.78	114.32
NAV at end of period	CHF	116.84	116.18
Dividend per unit during the period	CHF	3.80	0.83
<b>Investment yield</b>	<b>%</b>	<b>1.62</b>	<b>2.23</b>

<b>Return on invested capital (ROIC)<sup>1/2</sup></b>		<b>30 June 2018</b>	<b>30 June 2017</b>
Adjusted total profit + interest expenses	CHF	8 044 256	9 065 212
∅ Total fund assets	CHF	797 334 065	559 971 944
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>1.01</b>	<b>1.62</b>
<b>Remaining terms of debt financing<sup>3</sup></b>	<b>Years</b>	<b>0.70</b>	<b>0.29</b>
<b>Interest of debt financing<sup>3</sup></b>	<b>%</b>	<b>0.36</b>	<b>0.40</b>
<b>Market capitalisation<sup>3</sup></b>	<b>CHF</b>	<b>866 231 530</b>	<b>701 627 818</b>

<sup>1</sup> The key figures were calculated on the basis of the SFAMA "Specialist information factsheet on the key figures of real estate funds" dated 13 September 2016.

<sup>2</sup> Historical performance data is no guarantee of future income. The funds income and the value of the fund units may rise but also fall and cannot be guaranteed. On redemption of the fund units the investor may possibly receive less money back than the amount originally invested.

<sup>3</sup> The distribution yield figure was calculated on the basis of the SFAMA "Specialist information factsheet on the key figures of real estate funds" for the last reporting period only.

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