

Media release

for immediate publication

Zurich, 7 September 2020

SF Sustainable Property Fund Successful first half-year 2020

- **Capital increase successfully executed**
- **Funds from capital increase fully invested in a short time**
- **Total renovation in Zofingen completed according to plan**
- **Merely modest COVID-19 impact**

SF Sustainable Property Fund realised solid results in the first half-year 2020. The economic consequences of the COVID-19 pandemic hardly had any negative impact on the half-year results. The fund succeeded in executing a capital increase amounting to CHF 61.9 million amid this adverse environment. Rental income increased by 9.8% versus the level of the previous year's period.

Real estate portfolio

Three properties were acquired for SF Sustainable Property Fund in the first half-year 2020. Two additional properties were acquired for the portfolio after the balance sheet date, thus paving the way for reinvestment of the funds from the successfully executed capital increase amounting to CHF 61.9 million within a very short period. The acquisitions amounted to CHF 77.5 million and the properties are located in the cantons of Berne, Grisons, St. Gallen, Vaud and Zurich. All properties are rated with a GEAK valuation of B or C and therefore correspond to the fund's sustainability strategy. In addition, the property located at Via Chiasso 10 in Biasca (TI) was divested as at 1 January 2020, and two further acquisitions in Biasca were carried out after the balance sheet date. The vacancy rate held steady at 7.0% despite the more adverse leasing conditions in some cases due to COVID-19. In addition to the acquisitions with a high occupancy rate, the properties located in Binningen (BL), Unterkulm (AG) and Augsterheglistrasse 27 in Pratteln (BL) registered noticeably successful leasing results.

Renovation and development projects

Total renovations of the properties located at Mühlemattstrasse 6/8 and Gotthelfstrasse 3 in Zofingen (AG) were completed according to plan in the first half-year. The 62 apartments and two commercial spaces including parking garage stand ready for the next life cycle. Overall, 38 apartments and one commercial space had been vacant during the renovations. At the present time, 26 of the 38 vacant apartments are already leased again as well as the vacant commercial space. The new building project in Lausen has moved forward according to plan despite the COVID-19 pandemic, and initial occupancy can still be maintained in the first

half-year 2021. The focus is now aimed at first-time leasing in order to rent the 52 apartments and 52 parking spaces. A local leasing specialist has been contracted to carry out the first-time letting process.

Financial results

Rental income climbed by 9.8% to CHF 20.7 million in the first half-year compared with the level of the previous year's period. The improvement is attributable primarily to acquisitions (Bonaduz GR, Bülach ZH and Lausanne VD). The position "current net income paid in on issued units" rose by CHF 0.75 million through the successful capital increase. Net fund assets increased by CHF 51.1 million in the reporting period, from CHF 786.8 million to CHF 837.9 million. The change is attributable to net cash flow of CHF 59.9 million from the capital increase and distribution of CHF 23.1 million in April 2020 as well as total income of CHF 14.2 million realised in the first half-year 2020. The stock exchange price per unit amounted to CHF 133.00 as at 30 June 2020.

The impact of COVID-19 on the fund has been very modest to date due to the high share of residential properties. Risk analysis revealed that merely 1.3% of net rental income was noticeably affected by the measures imposed by the federal government. We currently estimate the rent default rate at less than 0.5% of net rental income.

Outlook

The focus of the second half-year 2020 will be aimed at further portfolio restructuring. Furthermore, the total renovation of the property located in the Längi district, Pratteln (BL) will continue to forge ahead, so that implementation can start in the first half-year 2021. Reduction of vacancy rates continues to play a significant role, including first-time leasing of the property in Aarwangen (BE) and leasing renewal of the remaining apartments in Zofingen (AG).

Further information

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A comprehensive report can be found at: www.sfp.ch

[Semi-Annual Report 2020 \(PDF\)](#)

[Presentation Portfolio Manager \(Video\)](#)

[Presentation Semi-Annual Report 2020 \(PDF\)](#)

Key Real Estate Fund Figures

as at 30 June 2020

Rent defaults rate	Unit	30 June 2020	30 June 2019
Expected net rents	CHF	22 987 643	21 067 828
Rent defaults	CHF	1 739 152	1 804 939
Losses on receivables	CHF	350 412	284 312
Rent defaults rate	%	9.09	9.92

Debt financing ratio	Unit	30 June 2020	30 June 2019
Borrowed capital	CHF	222 880 860	205 246 600
Market value of properties	CHF	1 104 477 000	1 013 114 000
Debt financial ratio	%	20.18	20.26

Distribution yield	Unit	30 June 2020	30 June 2019
Distribution per unit	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	133.00	135.10
Distribution yield	%	n/a	n/a
Distribution ratio	%	n/a	n/a

EBIT margin	Unit	30 June 2020	30 June 2019
EBIT	CHF	12 451 376	11 831 824
Rental income	CHF	20 725 145	18 870 272
EBIT margin	%	60.08	62.70

Fund operating expenses ratio (TER _{REF})	Unit	30 June 2020	30 June 2019
Operating expense	CHF	8 498 237	6 587 811
∅ Total fund assets	CHF	1 069 751 747	938 529 726
∅ Market value	CHF	933 037 266	878 502 593
TER REF (GAV)	%	0.79	0.70
TER REF (MV)	%	0.91	0.75

Return on equity (ROE) ^{1/2}		30 June 2020	30 June 2019
Total profit	CHF	14 269 833	15 811 579
Net fund assets at beginning of reporting period	CHF	786 803 309	780 421 051
+ Balance of unit transaction at principal value	CHF	59 914 933	0
Net yield at the beginning + capital increase	CHF	846 718 242	780 421 051
Return on equity (ROE)	%	1.69	2.03

Premium	%	12.78	15.35
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Performance	%	-5.86	5.28
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Return on investment^{1/2}	Unit	30 June 2020	30 June 2019
NAV at beginning of period	CHF	119.26	118.29
NAV at end of period	CHF	117.93	117.09
Distribution per unit during the period	CHF	3.50	3.60
Investment yield	%	1.88	2.09

Return on invested capital (ROIC)^{1/2}	Unit	30 June 2020	30 June 2019
Adjusted total profit + interest expenses	CHF	13 959 722	16 183 427
Ø Total fund assets	CHF	1 069 751 747	938 529 726
Return on invested capital (ROIC)	%	1.30	1.72

Remaining term of debt financing	Years	1.67	2.11
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Interest of debt financing	%	0.38	0.41
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Market capitalisation	CHF	944 942 922	891 301 445
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¹ 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.

² Calculation for six months (1 January to 30 June)

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.

Disclaimer

SF Sustainable Property Fund (ISIN CH0120791253) is an investment fund under Swiss law of the type "Real Estate Fund" within the meaning of Art. 25 ff. in conjunction with Art. 58 ff. of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA). This press release may contain forward-looking statements, such as expectations, plans, intentions or strategies regarding the future. Such statements are subject to uncertainties and risks. The reader is cautioned to be aware that such statements may deviate from actual future events. All forward-looking statements in this press release are based on data available to Swiss Finance & Property Funds AG at the time of publication. The company assumes no obligation to update forward-looking statements in this press release at a later date to reflect new information, future events or to otherwise update the contents. This press release (i) does not represent an issue prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations or Art. 27 ff. of the listing regulations of SIX Swiss Exchange, or a prospectus, a simplified prospectus or important information for investors (Key Investor Information Document; KIID) within the meaning of the Swiss Federal Act on Collective Investment Schemes. The sole documentation relevant for an investment decision can be obtained from Swiss Finance & Property Funds AG. Investments in financial products involve different risks, which also include the potential loss of the capital invested. The price, value and yield of collective capital investments are subject to fluctuations. Past performance is no indicator for future price development and does not offer any guarantee of future success. Swiss Finance & Property Funds AG does not accept any responsibility for the realisation of the anticipated increase in value. Detailed information on trading in securities and investments in collective capital schemes can be found in the brochure "Special Risks in Securities Trading" published by the Swiss Bankers Association. The information given in this publication is taken from sources that are considered reliable by Swiss Finance & Property Funds AG. However, Swiss Finance & Property Funds AG does not accept any express or tacit liability regarding the correctness, completeness, exactness and timeliness of the published information and elements thereof. Swiss Finance & Property Funds AG shall not be liable for any loss or damage (direct, indirect or consequential damage) resulting from the distribution of this document or its contents or that are connected with the distribution of this document. The information given in this document can change at any time and without prior warning. Neither this press release nor copies thereof may be sent or taken to the USA or distributed in the USA or given to US persons (within the meaning of Regulation S of the US Securities Act of 1933 in its current valid version). Units in the collective capital scheme may not be offered, sold or delivered within the USA and its territories. Units in the fund must not offered, sold or delivered to US citizens or persons residing or with registered office in the USA and/or other natural or legal entities whose income and/or earnings, irrespective of origin, are subject to US income tax, as well as to persons who are deemed to be US persons pursuant to Regulation S of the US Security Act of 1933 and/or the US Commodity Exchange Act in the current valid version. The same applies for all the states and countries in which such distribution is prohibited.