

## Media Release

Zurich, 15 March 2021

### **SF Sustainable Property Fund Stable financial year 2020 and capital increase**

- Portfolio value grew by 10.1% to CHF 1.16 billion and 94 properties
- Expected net rent rose by 7.1% to CHF 46.8 million
- Increase of net profit by 11.8% to CHF 24.2 million
- Dividend of CHF 3.50 per unit same as in prior year
- Capital increase in March 2021

**Eight properties with a market value of CHF 94.6 million were added to the existing portfolio, resulting in a portfolio value of CHF 1.16 billion as at 31 December 2020. With the acquisitions, expected rental income increased during the period under review by CHF 3.1 million in comparison to the prior period to CHF 46.8 million. The vacancy rate fell by 0.1 percentage points to end 2020 at 6.9%. In the year under review, three properties in Biasca and one in Wängi were sold for the purpose of portfolio adjustment. The full refurbishments in Zofingen were completed on schedule in June 2020. The new build project in Aarwangen was completed in mid-2020, as planned.**

#### **Real estate portfolio**

As in previous years, the SF Sustainable Property Fund expanded its property portfolio, acquiring eight high-quality properties. The acquisitions also enhanced the diversification of the locations in the portfolio, and added to the fund's locations in German-speaking and Western Switzerland. On the other hand, three properties in Southern Switzerland were sold in the interest of optimising the portfolio. On the reporting date, the SF Sustainable Property Fund therefore reported a total of 94 properties with a market value of CHF 1.16 billion (+10.1%). The vacancy rate fell 0.1 percentage points in 2020, from 7.0% to 6.9%.

#### **Renovation projects and developments**

The refurbishment project in Zofingen, the DreiFurlen new build in Lausen and the secured new build in Aarwangen remained on schedule and compliant with the protection concept. The refurbishment work in Zofingen, for example, was completed in mid-2020 and the new build in Aarwangen was occupied on 1 July 2020.

The refurbishment at Längstrasse in Pratteln was prepared on schedule, allowing work to start in the second quarter of 2021.

## **Financial results**

In 2020, expected net rent rose 7.1% to CHF 46.8 million as a result of the acquisition of properties and increased lettings in investment properties. Net profit could be increased by 11.8% to CHF 24.2 million (prior year: CHF 21.6 million.) Total profit rose slightly, from CHF 30.1 million to CHF 30.4 million. The dividend per unit of CHF 3.50 is the same as in the prior year. Net fund assets rose to CHF 854.0 million (+8.5%) and the borrowing ratio increased by 0.7 percentage points to 22.3%. At 31 December 2020, the stock market price for SF Sustainable Property Fund was CHF 156.00.

## **Impact of COVID-19**

The state of emergency declared in response to COVID-19 and the lockdown imposed by the Swiss government on 16 March also had a noticeable impact on SF Sustainable Property Fund, although the effect varied between the different regions and rental properties depending on the type of use. The measures introduced to combat rising infection rates were particularly tough on tenants of retail space and businesses in the hospitality sector. As these two space categories only account for about 1.3% of SF Sustainable Property Fund's rental income, the fund was able to generate stable rental income from its other types of use. The most common type of use in the fund is residential with a share of more than 85% (more than 90% including parking spaces), which proved to be a stable source of income during this time.

Various agreements were entered into in order to provide support to affected tenants. Thanks to these agreements, rent defaults were in the low tens of thousands in 2020. The early renewal of some contract terms was agreed. A similar volume of rent defaults is expected in 2021 as continued restrictions were imposed in the hospitality and retail sector at the start of the year.

## **Outlook**

The fund plans to selectively expand its investment portfolio in financial year 2021 by acquiring additional properties. The market environment and the conditions as a result of COVID-19 remain challenging. In light of the current situation, more attention will be given to vacancy management in order to ensure an attractive yield even in crisis situations. In the new year, initiatives aimed at making properties more energy efficient will again be implemented in pursuit of the fund's sustainability strategy. As in the past, a strong awareness of costs will still be very crucial.

## Capital increase with a maximum volume of CHF 67.0 million in March 2021

Between 17 March and 30 March 2021, the fund's management is carrying out a capital increase with a maximum volume of CHF 67.0 million for SF Sustainable Property Fund. Thirteen (13) existing units entitle the holder to purchase one (1) new unit for a net issue price of CHF 122.00 each. The issue is being carried out on a commission ("best effort") basis as part of a public subscription offer in Switzerland. Subscription rights can be traded between 17 March and 26 March 2021. The number of new units issued is limited to 546 525. Units that are not subscribed may not be issued, which will reduce the issue volume accordingly. The exact number of new units to be issued will be set once the subscription deadline has passed, based on the number of subscriptions received. The fund's management will notify investors of the definitive number of new units to be issued on 1 April 2021. Payment under subscription for the new units to be issued will be made on 7 April 2021. The proceeds from the issue will be used to further expand and diversify the real estate portfolio, as well as for development projects.

## Issue conditions

Issue volume	Maximum of 546 525 units
Subscription period	From 17 March 2021 to 30 March 2021, 12:00 p.m. CEST
Issue price per unit	CHF 122.00 net
Distribution	ex. dividend on 15 March 2021
Subscription ratio	13:1 – Thirteen (13) existing units entitle the holder to purchase one (1) new unit
Trading of subscription rights	The official trading of subscription rights will take place on the SIX Swiss Exchange between 17 March and 26 March 2021
Payment	7 April 2021
Securities number/ISIN (unit)	12 079 125 / CH0120791253
Securities number/ISIN (entitlement)	110 212 189 / CH1102121899
Custodian bank	Credit Suisse AG, Zurich

## Further information

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## Key figures 2020

		31. Dec. 2020	31. Dec. 2019
<b>Rent default rate<sup>1</sup></b>			
Expected net rents	CHF	46 820 116	43 669 030
Rent default	CHF	3 557 068	3 657 258
Losses on receivables	CHF	1 064 789	468 068
<b>Rent default rate</b>	<b>%</b>	<b>9.87</b>	<b>9.45</b>

		31. Dec. 2020	31. Dec. 2019
<b>Debt financing ratio</b>			
Borrowed capital	CHF	258 970 860	242 277 460
Market value of properties	CHF	1 160 791 000	1 053 987 000
<b>Debt financing ratio</b>	<b>%</b>	<b>22.31</b>	<b>22.99</b>

		31. Dec. 2020	31. Dec. 2019
<b>Distribution yield<sup>2/3</sup></b>			
Distribution per unit	CHF	3.50	3.50
Market rate per unit at end of reporting period	CHF	156.00	145.90
<b>Distribution yield</b>	<b>%</b>	<b>2.24</b>	<b>2.40</b>
<b>Distribution payout ratio</b>	<b>%</b>	<b>102.80</b>	<b>106.73</b>

		31. Dec. 2020	31. Dec. 2019
<b>Operating profit margin (EBIT margin)</b>			
Operating profit	CHF	25 133 516	23 847 986
Rental income	CHF	41 856 650	39 338 899
<b>Operating profit margin</b>	<b>%</b>	<b>60.05</b>	<b>60.62</b>

		31. Dec. 2020	31. Dec. 2019
<b>Fund operating expense ratio (TER<sub>REF</sub>)</b>			
Operating expenses	CHF	8 894 660	8 176 776
Ø Gross asset value	CHF	1 119 644 312	1 014 943 169
Ø Market value	CHF	984 110 865	913 468 527
<b>TER<sub>REF</sub> (GAV)</b>	<b>%</b>	<b>0.79</b>	<b>0.81</b>
<b>TER<sub>REF</sub> (MV)</b>	<b>%</b>	<b>0.90</b>	<b>0.90</b>

		31. Dec. 2020	31. Dec. 2019
<b>Return on equity (ROE)<sup>2</sup></b>			
Total income	CHF	30 366 183	30 132 703
Net fund assets at beginning of reporting period	CHF	786 803 309	780 421 051
+ Balance from unit transaction at principal value	CHF	59 914 932	–
Net fund assets at beginning of reporting period + capital increase	CHF	846 718 241	780 421 051
<b>Return on equity (ROE)</b>	<b>%</b>	<b>3.59</b>	<b>3.86</b>

<b>Premium</b>	<b>%</b>	<b>29.78</b>	<b>22.34</b>
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<b>Performance</b>	<b>%</b>	<b>10.42</b>	<b>13.70</b>
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		31. Dec. 2020	31. Dec. 2019
<b>Investment yield<sup>2</sup></b>			
NAV at beginning of reporting period	CHF	119.26	118.29
NAV at end of reporting period	CHF	120.20	119.26
Distribution per unit in period	CHF	3.50	3.60
<b>Investment yield</b>	<b>%</b>	<b>3.83</b>	<b>3.99</b>
<b>Return on invested capital (ROIC)<sup>2</sup></b>			
Adjusted total net income + interest expenses	CHF	30 395 462	30 952 917
Ø Gross asset value	CHF	1 119 644 312	1 014 943 169
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>2.71</b>	<b>3.05</b>
<b>Remaining term to maturity of debt financing</b>	<b>Years</b>	<b>2.18</b>	<b>1.66</b>
<b>Interest on debt financing</b>	<b>%</b>	<b>0.25</b>	<b>0.35</b>
<b>Market capitalisation</b>	<b>CHF</b>	<b>1 108 354 104</b>	<b>962 552 781</b>

<sup>1</sup> Rent reductions granted are not taken into account when determining the rent default rate in accordance with the authoritative AMAS/SFAMA technical information.

<sup>2</sup> Historical performance data is no guarantee for future income. The funds' income and the value of the funds' units may increase as well as decrease and cannot be guaranteed. When units are redeemed, the investor may get back less money than originally invested.

<sup>3</sup> The calculation is based on the planned distribution per unit.

## Live broadcast

The management team of SF Sustainable Property Fund are presenting the 2020 annual results as follows:

- **Presentation in German on Monday 15 March 2021, 10:00 a.m.**
- **Presentation in English on Monday 15 March 2021, 11:00 a.m.**

Nicolas Beutler (Portfolio Manager) will be commenting on the results. A recording will be uploaded to our website [www.sfp.ch](http://www.sfp.ch) following the presentation. Thank you for your interest.

You can download the comprehensive reporting and the 2020 annual report [here](#).

## **SF Sustainable Property Fund**

SF Sustainable Property Fund invests in existing real estate and projects in the whole of Switzerland. The strategy is to optimise the sustainability of its buildings throughout their life cycle. The fund invests primarily in real estate that can be brought up to the ecological, sociological and economic criteria of the fund within seven years. Further information on [www.sfp.ch](http://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 (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, resp. Key Investor Information Document (KIID). The sole documentation relevant for an investment decision can be obtained from Swiss Finance & Property Funds Ltd. 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 Ltd 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. 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 Ltd 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 updated 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 Ltd. However, Swiss Finance & Property Funds Ltd 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 Ltd 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 be 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.