

Media Release

Zurich, 29 March 2022

Ad hoc announcement pursuant to Art. 53 LR

SF Sustainable Property Fund Successful financial year 2021

- Portfolio value grew by 21.0% to CHF 1.40 billion and 108 properties
- Net income increased 21.5% to CHF 29.4 million
- Investment yield increased by almost 50% to 5.64%
- Distribution yield of 2.33% based on CHF 3.50 per unit

The SF Sustainable Property Fund can reflect on a successful financial year that was characterised by growth. 18 properties with a market value of around CHF 200 million were added to the portfolio, resulting in a portfolio value of CHF 1.40 billion as at 31 December 2021. As a result of the acquisitions, target rental income increased during the period under review by CHF 3.6 million to CHF 50.4 million in comparison to the previous year. The vacancy rate was reduced by one percentage point as at the reference date and amounted to 5.9% at the end of 2021. Four properties in Southern Switzerland were sold in the reporting year in order to optimise the portfolio. The development project in Lausen and the full refurbishment in Pratteln were successfully completed.

Real estate portfolio

As in previous years, the SF Sustainable Property Fund expanded its property portfolio. In 2021, a total of 18 properties with a market value of around CHF 200 million were acquired in the German- and French-speaking parts of Switzerland. Four other properties in less appealing locations in Southern Switzerland were sold, which represented another important step as part of the announced streamlining strategy. The acquisitions in Western Switzerland also help improve the diversification of the portfolio.

As at the reference date, the SF Sustainable Property Fund therefore reported a total of 108 properties with a market value of CHF 1.40 billion (+21.0%). The vacancy rate was reduced by one percentage point in 2021, from 6.9% to 5.9%.

Renovation projects and developments

The development of the DreiFurlen project in Lausen (Furlenbodenstrasse 1/3, Furlenstrasse 37) was successfully completed. The full letting of all 52 residential units had already been secured before the occupation date, resulting in an unrealised capital gain of CHF 8.7 million at the end of the year. The renovation project in Pratteln (Längstrasse 7/15/17) was also successfully completed and the first letting of the wooden element building in St. Gallen (Brauerstrasse 21/23) was started.

Financial results

Target net rent increased by 7.8% to CHF 50.4 million in 2021 as a result of the acquisition of properties and increased lettings in investment properties. Net income increased 21.5% to CHF 29.4 million (prior year: CHF 24.2 million). Total profit also increased from CHF 30.4 million to CHF 51.7 million. The distribution per unit is the same as in the prior year (CHF 3.50), and with an increase in NAV of CHF 3.08 per unit, this led to an almost 50% increase in the investment yield to 5.64%. Net fund assets increased to CHF 1 037.6 million (+21.5%) and the debt-financing ratio decreased slightly by 0.6 percentage points to 21.7%. As at 31 December 2021, the stock market price for SF Sustainable Property Fund was CHF 150.50.

Sustainability

Energy efficiency is and will remain the key aspect of the SF Sustainable Property Fund. The recording of data in order to calculate the reduction paths has been completed and the sustainability report has been updated. The full report is included in the annual report and indicates that the portfolio's greenhouse gas emissions decreased in 2021. The fund's sustainability strategy is also currently being reviewed and the way in which consumption data is collected is being optimised.

Outlook

The investment portfolio is once again to be selectively expanded in financial year 2022 through the acquisition of additional, high-quality properties, and also optimised by means of the targeted sale of other properties. In addition, the fund's focus is still on vacancy management.

In financial year 2021, a variety of renovation projects were launched that will move into the implementation phase between 2022 to 2025. Not only do these refurbishment projects increase the market value of the properties concerned and exploit existing potential, they also significantly enhance the fund's energy efficiency.

Further information

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Key figures 2021

Rent default rate¹	Unit	31 Dec. 2021	31 Dec. 2020
Expected net rents	CHF	50 522 906	46 820 116
Rent default	CHF	3 415 477	3 557 068
Losses on receivables	CHF	450 632	1 064 789
Rent default rate	%	7.65	9.87

Debt financing ratio	Unit	31 Dec. 2021	31 Dec. 2020
Borrowed capital	CHF	305 228 000	258 970 860
Market value of properties	CHF	1 404 604 000	1 160 791 000
Debt financing ratio	%	21.73	22.31

Distribution yield^{2/3}	Unit	31 Dec. 2021	31 Dec. 2020
Distribution per unit	CHF	3.50	3.50
Market rate per unit at end of reporting period	CHF	150.50	156.00
Distribution yield	%	2.33	2.24
Distribution payout ratio	%	100.26	102.80

Operating profit margin (EBIT margin)	Unit	31 Dec. 2021	31 Dec. 2020
Operating profit	CHF	28 759 257	25 133 516
Rental income	CHF	46 367 117	41 856 650
Operating profit margin	%	62.03	60.05

Fund operating expense ratio (TER_{REF})	Unit	31 Dec. 2021	31 Dec. 2020
Operating expenses	CHF	10 163 788	8 894 660
Ø Gross asset value	CHF	1 280 983 136	1 119 644 312
Ø Market value	CHF	1 172 723 806	984 110 865
TER REF (GAV)	%	0.79	0.79
TER REF (MV)	%	0.87	0.90

Return on equity (ROE)²	Unit	31 Dec. 2021	31 Dec. 2020
Total income	CHF	51 726 426	30 366 183
Net fund assets at beginning of reporting period	CHF	853 993 713	786 803 309
+ Balance from unit transaction at principal value	CHF	156 774 210	59 914 932
Net fund assets at beginning of reporting period + capital increase	CHF	1 010 767 923	846 718 241
Return on equity (ROE)	%	5.12	3.59

Premium	%	22.07	29.78
Performance	%	1.80	10.42

Investment yield²	Unit	31 Dec. 2021	31 Dec. 2020
NAV at beginning of reporting period	CHF	120.20	119.26
NAV at end of reporting period	CHF	123.28	120.20
Distribution per unit in period	CHF	3.50	3.50
Investment yield	%	5.64	3.83

Return on invested capital (ROIC)²	Unit	31 Dec. 2021	31 Dec. 2020
Adjusted total net income + interest expenses	CHF	49 358 014	30 395 462
Ø Gross asset value	CHF	1 280 983 136	1 119 644 312
Return on invested capital (ROIC)	%	3.85	2.71

Remaining term to maturity of debt financing	years	1.94	2.18
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Interest on debt financing	%	0.16	0.25
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Market capitalisation	CHF	1 266 682 347	1 108 354 104
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¹ Granted rental reductions are not being accounted for the calculation of the rent default rate. This is in accordance with the guideline of AMAS.

² 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.

³ The calculation is based on the planned distribution per unit.

Live broadcast

The management team of SF Sustainable Property Fund are presenting the 2021 annual results as follows:

- **Presentation in German on Tuesday 29 March 2022 at 8:30 a.m.**
- **Presentation in English on Tuesday 29 March 2022 at 10:30 a.m.**

Nicolas Beutler, Portfolio Manager, will be commenting on the results. A recording will be uploaded to our website www.sfp.ch following the presentation. Thank you for your interest.

You can download the comprehensive reporting and the 2021 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.

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, nor does it constitute a prospectus, a simplified prospectus, resp. Key Investor Information Document (KIID) or a basic information sheet within the meaning of the Swiss Financial Services Act (FIDLEG). These documents, which alone are relevant for an investment decision, can be obtained for free 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 securities trading and investments in collective investment schemes can be found in the brochure "Risks in Trading with Financial Instruments" 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 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.