

Media Release

for immediate release

Zurich, 15 March 2018

SF Commercial Properties Fund

A successful first business year

- **Portfolio expansion with a market value of CHF 208.2 million**
- **Vacancy rate reduced from 9.4% to 6.4%**
- **Increase of average lease term from 3.4 years to 5.2 years**
- **Distribution from earnings per share of CHF 4.25**

SF Commercial Properties Funds can look back on a successful first financial year. The capital of CHF 246 million, which has been raised since its foundation in November 2016, was almost entirely invested in a regionally well-diversified portfolio. Since the launching of the SF Commercial Properties Funds, 13 properties with a total market value of CHF 208.2 million and an average gross yield of 6.5% have been acquired. The vacancy rate was reduced over the year from 9.4% to 6.4% and the average lease term was increased from 3.4 to 5.2 years. Profits to the amount of CHF 10.25 million were achieved. The distribution from earnings per share amounts to 4.25 CHF. Furthermore, the fund was listed on the SIX Swiss Exchange in November 2017.

Real estate portfolio

13 properties were acquired in Lyss, Langenthal, Frenkendorf, Spreitenbach, Thal, Weinfelden, Bubendorf and Dietikon in the first half of 2017. In August 2017, an additional two properties were added in Möhlin and Rheinfelden. The properties in Aclens, Meisterschwanden and Collina d'Oro were acquired during the fourth quarter of 2017. Overall, this resulted in a portfolio that was successfully diversified in terms of the mix of usage and regional distribution, with a market value of CHF 208.2 million at the end of 2017 and a gross yield of 6.5%.

The properties cover a total leasable area of 101,720 m² and account for a total target rental income of CHF 13.5 million. The major part of the space is used for logistics/warehousing and industrial use 68.2%, offices 29.1% and special uses 2.72%. The average term of all leases was increased from 3.4 years to 5.2 years during the reporting period.

As a result of extensive marketing activities and the acquisition of additional real estate, the vacancy rate was significantly reduced from 9.4% to 6.4% in the second half of 2017.

Financial result

The fund has received funds amounting to CHF 246 million gross since its foundation. The achieved profit amounted to CHF 10.25 million, which results in a distribution of CHF 4.25 per share from 2017 earnings. The share is traded ex dividend on 27 March 2018, payment date will be 29 March 2018.

Outlook

Additional acquisitions are planned for 2018 with the remaining funds and additional borrowed capital. The successful tenant leasing and letting initiatives will be continued in order to raise the potential at the sites Dietikon, Frenkendorf and Langenthal during 2018.

Further Information

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SF Commercial Properties Fund

SF Commercial Properties Fund invests in a diversified real estate portfolio focusing on the industrial, logistics, commercial and retail sectors throughout Switzerland. The real estate fund concentrates on industrial sites and production locations with excellent transport connections, as well as logistics properties and distribution space with long-term contracts. The real estate portfolio may also include special-purpose properties such as parking facilities, shopping malls as well as office and commercial properties at central locations with long-term rental contracts. Further information www.sfp.ch.

KEY REAL ESTATE FUNDS FIGURES

AS AT 31 DECEMBER 2017

Rental default rate¹	Unit	31 Dec 2017
Expected net rents	CHF	8 834 813
Rent defaults	CHF	858 419
Rental default rate	%	9.72

Borrowing ratio¹		31 Dec 2017
Borrowed capital	CHF	–
Market value of land	CHF	208 180 000
Borrowing ratio	%	0.00

Dividend yield^{1/2}		31 Dec 2017
Dividend per unit ⁴	CHF	4.25
Stock exchange pricer per unit at end of reporting period	CHF	107.80
Dividend yield⁴	%	3.94
Dividend payout ratio⁴	%	99.50

EBIT margin¹		31 Dec 2017
EBIT	CHF	5 460 550
Rental income	CHF	8 212 908
EBIT margin	%	66.49

Fund operating expenses ratio (TER_{REF})		31 Dec 2017
Operating expense (annualized)	CHF	1 633 343
∅ Total fund assets	CHF	173 158 405
∅ Market value	CHF	150 744 000
∅ Net fund assets	CHF	152 947 621
TER_{REF} (GAV)¹	%	0.94
TER_{REF} (MV)¹	%	1.08
TER_{REF} (NAV)³	%	1.07

Return on equity (ROE)¹	Unit	31 Dec 2017
Total profit	CHF	10 386 859
Net fund assets at beginning of reporting period	CHF	241 836 000
+ Balance of unit transaction at principal value		
ROE	%	4.30
Agio	%	3.78
Performance⁵	%	n/a

Investment yield^{1/2}		31 Dec 2017
NAV at beginning of period	CHF	100.00
NAV at end of period	CHF	103.87
Dividend per unit during the period	CHF	0.00
Investment yield	%	3.87

Return on invested capital (ROIC)^{1/2}		31 Dec 2017
Adjusted total profit + interest expenses	CHF	5 527 067
∅ Total fund assets	CHF	173 158 405
Return on invested capital (ROIC)	%	3.19

Remaining terms of debt financing³	Years	n/a
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Interest of debt financing³	%	n/a
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¹ 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.

² 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.

³ These figures are shown on a voluntary basis and are not defined in the SFAMA «Specialist information factsheet on the key figures of real estate funds» dated 13 September 2016.

⁴ The calculation is based on the currently planned dividend payment.

⁵ The stock market price at the beginning of the period is not available as the fund was listed during the year. For this reason, the performance indicator as of December 31, 2017 will not be published.

Disclaimer

SF Commercial Properties Fund (ISIN CH0344799694) 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).

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