

Media Release

for immediate release

Zurich, 30 August 2018

SF Commercial Properties Fund Successful first half of 2018

- **Market value of portfolio increased to CHF 247.5 million**
- **First rentals in City Plaza Dietikon**
- **Vacancy rate declined from 7.9% to 7.2%**
- **Average rental contract term increased from 3.4 to 4.5 years**
- **Distribution of CHF 4.25 per share in March 2018**

The SF Commercial Properties Fund can look back on a successful first half of 2018. Using the new capital of CHF 126 million raised during the capital increase in November 2017, two properties were acquired in the first half of 2018. On the reporting date, the portfolio comprised 15 properties with a total market value of CHF 247.5 million. The average gross return on the total portfolio was 6.7%. CHF 4.25 per share was paid out in March 2018.

Real estate portfolio

As part of a share deal, a fully tenanted property with a market value of CHF 28.5 million was acquired in Buchs (AG). A commercial property was also bought in Allschwil for CHF 10.0 million on 1 April 2018. The portfolio, which is well diversified in terms of region and utilisation, reported a market value of CHF 247.5 million and a gross return of 6.7% as at 30 June 2018.

The acquisitions increased the portfolio's rentable floor space to around 126 489 m² with an annual target rental income of CHF 16 561 224. Most of the rental space is suitable for logistics, storage and industrial use. The average term of all rental contracts increased from 3.4 years to 4.5 years during the reporting period. Thanks to wide-ranging marketing activities and the acquisition of additional real estate, the vacancy rate declined from 7.9% to 7.2% in the first half of 2018. Two leases have already been signed in City Plaza Dietikon. The letting strategy proves to be successful.

Financial result

Rental income increased by CHF 4.35 million to CHF 7.48 million in the first half of the 2018 financial year. This was driven by the properties acquired in the second half of 2017 as well as the successful investments in 2018. The realised gain improved by 154% or CHF 3.16 million year-on-year to CHF 5.22 million, chiefly owing to the increase in net rental income following the property acquisitions in the prior period. The excellent result posted for 2017 allowed the Fund to make an attractive distribution of CHF 4.25 per share in March 2018. The Fund's total assets amounted to CHF 255.53 million on the reporting date.

Outlook

As part of a portfolio transaction, three buildings in Castione (TI) with a market value of CHF 30.8 million were acquired after the reporting date. In addition, a commercial property with a triple-net rental contract until 2034 and a market value of CHF 32.1 million was acquired in Aarau. Thus, the market value of the portfolio currently stands at approx. CHF 310.0 million with a loan-to-value ratio of around 20%.

The rental and tenant retention measures that were introduced have already proved to be successful and the first two rental contracts for the Dietikon property have already been signed. The focus of the enlarged asset and portfolio management team remains on marketing activities designed to exploit the potential of the properties in Dietikon and Frenkendorf in particular. The rental strategy has proved to be successful and is further supported by the deployment of an additional asset manager with comprehensive marketing expertise.

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Comprehensive reporting and the semi-annual report 2018 can be found at:

www.sfp.ch[Download Half-Year report 2018 \(german\)](#)**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 FIGURES SF COMMERCIAL

AS AT 30 JUNE 2018

Rental default rate¹	Unit	30 June 2018	30 June 2017
Expected net rents	CHF	8 064 674	3 341 593
Rent defaults	CHF	599 640	315 417
Rent defaults rate	%	7.44	9.44

Borrowing ratio¹		30 June 2018	30 June 2017
Borrowed capital	CHF	–	26 000 000
Market value of land	CHF	247 450 000	142 399 000
Borrowing ratio	%	0.00	18.26

Dividend yield^{1/2}		30 June 2018	30 June 2017
Dividend per unit ⁴	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	106.00	103.50
Dividend yield⁴	%	n/a	n/a
Dividend payout ratio⁴	%	n/a	n/a

EBIT margin¹		30 June 2018	30 June 2017
EBIT (12 months)	CHF	5 271 662	2 097 916
Rental income	CHF	7 475 716	3 131 895
EBIT margin	%	70.52	66.99

Fund operating expenses ratio (TER_{REF})		30 June 2018	30 June 2017
Operating expense (12 months)	CHF	2 332 763	1 246 676
∅ Total fund assets	CHF	217 013 978	134 052 156
∅ Market value	CHF	204 264 000	n/a
∅ Net fund assets	CHF	195 169 465	120 363 244
TER_{REF} (GAV)¹	%	1.07	0.93
TER_{REF} (MV)¹	%	1.14	n/a
TER_{REF} (NAV)³	%	1.20	1.04

Return on equity (ROE)¹	Unit	30 June 2018	30 June 2017
Total profit	CHF	3 021 513	726 488
Net fund assets at beginning of reporting period	CHF	249 294 859	120 000 000
+ Balance of unit transaction at principal value			
ROE	%	1.21	0.61
Agio	%	5.07	n/a
Performance⁵	%	2.20	n/a

Investment yield^{1/2}		30 June 2018	30 June 2017
NAV at beginning of period	CHF	103.87	100.00
NAV at end of period	CHF	100.88	100.61
Dividend per unit during the period	CHF	4.25	0.00
Investment yield	%	1.27	0.61

Return on invested capital (ROIC)^{1/2}		30 June 2018	30 June 2017
Adjusted total profit + interest expenses	CHF	3 033 979	739 158
∅ Total fund assets	CHF	217 013 978	134 052 156
Return on invested capital (ROIC)	%	1.40	0.55
Remaining terms of debt financing³	%	n/a	0.25
Interest of debt financing³	%	n/a	0.45
Market capitalization³	CHF	254 400 000	n/a

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 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.

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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