

## Media Release

for immediate release

Zurich, 25 March 2019

### SF Commercial Properties Fund A consistently good financial year 2018

- **Portfolio value increased by CHF 115.3 million to CHF 323.5 million**
- **Consistent distribution of CHF 4.25 per share**
- **Vacancy rate fell to 6.9% in the second half of the year**
- **Average lease term rose again to 5.4 years**

The SF Commercial Properties Fund can look back on a good financial year 2018. By borrowing capital, the fund continued to expand and now comprises 19 properties. The acquisition of six properties boosted the fund's value to CHF 323.5 million. The average gross yield is 6.5%. The vacancy rate fell in the reporting period from 9.4% to 7.3%. With vacancies of 6.9% on the reporting date, the vacancy rate is at a good and reasonable level. The average lease term rose from 5.2 years to 5.4 years through contract extensions by existing tenants and new acquisitions. Realised profit stood at CHF 11.3 million. The dividend from earnings per share is a consistent CHF 4.25.

#### Property portfolio

The capital received in 2017 was fully invested in 2018. The portfolio continued to be geographically well diversified through new acquisitions in Buchs (AG), Allschwill, Aarau as well as Castione and Lamone. By borrowing capital, the portfolio grew from CHF 208.2 million to CHF 323.5 million and now comprises 19 properties. The fund also successfully achieved the target reduction in office space from 29.1% to 27.2% and increased logistics, storage and industrial usage from 68.2% to 72.0%.

Many new tenants were found in 2018. Three leases were signed with new tenants in Dietikon. Along with other rentals, this brought down the vacancy rate in the reporting period from 9.4% to 7.3%. The vacancy rate on the reporting date 31 December 2018 stood at 6.9%. Numerous discussions with existing tenants helped strengthen relationships and also resulted in lease extensions. This boosted the average remaining lease term further from 5.2 to 5.4 years..

#### Financial result

Realised profit stood at CHF 11.3 million (2017: CHF 10.3 million) a year-on-year increase of 10.6%. With a payout ratio of 89.9% (2017: 99.5%), this produced an amount of CHF 4.25 per share from the 2018 result. Borrowings as at 31 December 2018 totaled CHF 77.2 million, which corresponds to a borrowing ratio of 23.8%.

**Outlook**

The fund is continuing with the successful tenant loyalty and rental measures in order to leverage the potential in 2019, in particular in properties in Dietikon, Frenkendorf and Thal. To do so, further acquisitions are also planned as part of selective portfolio switching..

**Further Information****Remo Thomas Marti****Head Direct Real Estate Funds**

Swiss Finance &amp; Property Funds AG

[tmarti@sfp.ch](mailto:tmarti@sfp.ch)**Reto Schnabel****CFO**

Swiss Finance &amp; Property Funds AG

[schnabel@sfp.ch](mailto:schnabel@sfp.ch)

A comprehensive report and the 2018 annual report can be found at

<https://www.sfp.ch/produkte/sf-commercial-properties-fund/>

**Payout**

**01.04.2019**     **Ex dividend**

**03.04.2019**     **Payment**

**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](http://www.sfp.ch).

# KEY FIGURES ON THE REAL ESTATE FUND

## AS AT 31 DECEMBER 2018

<b>Rent default rate<sup>1</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Expected net rentals	CHF	18 148 366	8 834 813
Rent defaults	CHF	1 408 742	858 419
<b>Rent default rate</b>	<b>%</b>	<b>7.76</b>	<b>9.72</b>
<b>Borrowing ratio<sup>1</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Borrowed capital	CHF	77 185 000	–
Market value of properties	CHF	323 450 000	208 180 000
<b>Borrowing ratio</b>	<b>%</b>	<b>23.86</b>	<b>0.00</b>
<b>Dividend yield<sup>1/2</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Dividend per share <sup>4</sup>	CHF	4.25	4.25
Market rate per share at end of reporting period	CHF	103.00	107.80
<b>Dividend yield<sup>4</sup></b>	<b>%</b>	<b>4.13</b>	<b>3.94</b>
<b>Payout ratio<sup>4</sup></b>	<b>%</b>	<b>89.95</b>	<b>99.50</b>
<b>Operating profit margin (EBIT margin)<sup>1</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Operating profit	CHF	11 571 369	5 460 550
Rental income	CHF	16 588 682	8 212 908
<b>Operating profit margin</b>	<b>%</b>	<b>69.75</b>	<b>66.49</b>
<b>Fund operating expense ratio (TER<sub>REF</sub>)</b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Operating expenses	CHF	2 918 870	1 633 343
∅ Gross asset value	CHF	284 187 121	173 158 405
∅ Market value	CHF	253 296 000	150 744 000
∅ Net fund assets	CHF	244 809 037	152 947 621
<b>TER<sub>REF</sub> (GAV)<sup>1</sup></b>	<b>%</b>	<b>1.03</b>	<b>0.94</b>
<b>TER<sub>REF</sub> (MV)<sup>1</sup></b>	<b>%</b>	<b>1.15</b>	<b>1.08</b>
<b>TER<sub>REF</sub> (NAV)<sup>3</sup></b>	<b>%</b>	<b>1.19</b>	<b>1.07</b>
<b>Return on equity (ROE)<sup>1/2</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Total income	CHF	6 341 215	10 386 859
Net fund assets at beginning of reporting period	CHF	249 294 859	241 836 000
+ Balance from unit transactions at principal value	CHF	–	–
Net fund assets at beginning + balance unit transactions	CHF	249 294 859	241 836 000
<b>Return on equity (ROE)</b>	<b>%</b>	<b>2.54</b>	<b>4.30</b>
<b>Premium</b>	<b>%</b>	<b>0.72</b>	<b>3.78</b>
<b>Performance<sup>4</sup></b>	<b>%</b>	<b>-0.69</b>	<b>n/a</b>

<b>Investment yield<sup>1/2</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
NAV at beginning of reporting period	CHF	103.87	100.00
NAV at end of reporting period	CHF	102.27	103.87
Dividend per share in period	CHF	4.25	0.00
<b>Investment yield</b>	<b>%</b>	<b>2.66</b>	<b>3.87</b>

  

<b>Return on invested capital (ROIC)<sup>1/2</sup></b>	<b>Entity</b>	<b>31. Dec. 2018</b>	<b>31. Dec. 2017</b>
Adjusted total income + interest expense	CHF	6 465 626	5 527 067
Ø Gross asset value	CHF	284 187 121	173 158 405
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>2.28</b>	<b>3.19</b>
<b>Weighted average term of debt<sup>3</sup></b>	<b>Years</b>	<b>0.09</b>	<b>n/a</b>
<b>Interest on debt capital<sup>3</sup></b>	<b>%</b>	<b>0.38</b>	<b>n/a</b>
<b>Stock market capitalisation<sup>3</sup></b>	<b>CHF</b>	<b>247 200 000</b>	<b>258 720 000</b>

- <sup>1</sup> The key figures were calculated based on the "Specialist information factsheet on the key figures of real estate funds" published by SFAMA dated 13 September 2016.
- <sup>2</sup> Historical performance data is no guarantee of future income. The income and value of the fund's shares may go up as well as down and cannot be guaranteed. When shares are redeemed, the investor may get back less money than originally invested.
- <sup>3</sup> These key figures are reported on a voluntary basis. Some of them are defined in the "Specialist information factsheet on the key figures of real estate funds" published by SFAMA on 13 September 2016.
- <sup>4</sup> The quoted price at the beginning of the 2017 period is not available as the fund had been listed for less than a year. This is the reason for not publishing the performance figure as at 31 December 2017.

**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).

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.