

# Media Release

for immediate release

27 August 2019

## SF Commercial Properties Fund Stable first half of 2019

- **Portfolio value down marginally at CHF 321.05 million**
- **Vacancy rate up to 19.4%**
- **Six lettings in City Plaza Dietikon**
- **Average lease term rose to 5.9 years**
- **Distribution of CHF 4.25 per share in March 2019**

**SF Commercial Properties Funds can reflect on a stable first half of 2019. The value of the unchanged property portfolio fell back to CHF 321.05 million. The gross yield was unchanged at 6.5%. After the main tenant moved out from the property in Dietikon, six new leases were concluded but the portfolio vacancy rate rose to 19.4%. The average lease term increased to 5.9 years. A dividend of CHF 4.25 per share was distributed in March 2019.**

### Real estate portfolio

The market value of the portfolio at the end of June 2019 stood at CHF 321.05 million (31.12.2018: CHF 323.5 million). The reason for the small valuation correction was the rise in the vacancy rate to 19.41% (31.12.2018: 6.94%) due to the loss of the main tenant in Dietikon. In the first six months of 2019, 10% was already re-let in Dietikon through six leases. After the end of the reporting period, a 12.5-year lease was signed with coworking provider Merkspace. Merkspace is occupying 1 700 m<sup>2</sup> and will act as the new anchor tenant on the ground floor. This means that more than 2 500 m<sup>2</sup> office space or 20% has now been let in Dietikon. At the same time, the portfolio's average lease term rose to 5.9 years (31.12.2018: 5.4 years).

### Financial result

Rental income increased by CHF 2.1 million to CHF 10.6 million in the first half of 2019 (30.6.18: CHF 8.1 million). This was mainly attributable to the properties acquired in the second half of 2018. Realised profit went up in the reporting period on a like-for-like basis by 0.5% to CHF 5.25 million. The good annual results for 2018 allowed a dividend of CHF 4.25 per share to be paid in April 2019. The Fund's total assets amounted to CHF 326.9 million on the reporting date.

## **Outlook for second half of 2019**

In the second half of the year, bringing down the vacancy rate further will be the main focus for asset and portfolio management. It is hoped that the previous lettings success will continue at City Plaza Dietikon. Other leases with existing interested parties are also expected to be concluded, particularly for the property in Allschwil. At the same time, discussions with existing tenants will take priority in order to maintain the good WAULT.

## **Further information**

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A comprehensive report and the Half-Year Report 2019 can be found at:

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

[Download Semi Annual Report 2019](#)

## KEY FIGURES SF COMMERCIAL

as at 30 June 2019

<b>Rental default rate</b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Expected net rents	CHF	10 582 462	8 075 356
Rent defaults	CHF	2 056 907	581 538
Losses on receivables	CHF	349 423	18 102
<b>Rent defaults rate</b>	<b>%</b>	<b>22.74</b>	<b>7.44</b>

<b>Borrowing ratio</b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Borrowed capital	CHF	76 685 000	–
Market value of land	CHF	321 050 000	247 450 000
<b>Borrowing ratio</b>	<b>%</b>	<b>23.89</b>	<b>0.00</b>

<b>Dividend yield</b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Dividend per unit	CHF	4.25	n/a
Stock exchange price per unit at end of reporting period	CHF	103.50	106.00
<b>Dividend yield</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>
<b>Dividend payout ratio</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>

<b>EBIT margin</b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
EBIT	CHF	5 403 992	5 271 662
Rental income	CHF	8 159 872	7 475 716
<b>EBIT margin</b>	<b>%</b>	<b>66.23</b>	<b>70.52</b>

<b>Fund operating expenses ratio (TER REF)</b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Operating expense	CHF	3 252 669	2 332 763
∅ Total fund assets	CHF	313 675 895	217 013 978
∅ Market value	CHF	250 704 000	204 264 000
<b>TER<sub>REF</sub> (GAV)</b>	<b>%</b>	<b>1.04</b>	<b>1.07</b>
<b>TER<sub>REF</sub> (MV)</b>	<b>%</b>	<b>1.30</b>	<b>1.14</b>

<b>Return on equity (ROE)<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Total profit	CHF	2 803 156	3 021 513
Net fund assets at beginning of reporting period	CHF	245 436 074	249 294 859
+ Balance of unit transaction at principal value	CHF	–	–
Net yield at the beginning + capital increase	CHF	245 436 074	249 294 859
<b>ROE</b>	<b>%</b>	<b>1.14</b>	<b>1.21</b>

<b>Agio</b>	<b>%</b>	<b>4.35</b>	<b>5.07</b>
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<b>Performance<sup>2</sup></b>	<b>%</b>	<b>4.66</b>	<b>2.20</b>
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<b>Investment yield<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
NAV at beginning of period	CHF	102.27	103.87
NAV at end of period	CHF	99.18	100.88
Dividend per unit during the period	CHF	4.25	4.25
<b>Investment yield</b>	<b>%</b>	<b>1.19</b>	<b>1.27</b>

  

<b>Return on invested capital (ROIC)<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
Adjusted total profit + interest expenses	CHF	2 947 422	3 033 979
∅ Total fund assets	CHF	313 675 895	217 013 978
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>0.94</b>	<b>1.40</b>

  

<b>Remaining terms of debt financing</b>	<b>Years</b>	<b>0.04</b>	<b>n/a</b>
<b>Interest of debt financing</b>	<b>%</b>	<b>0.32</b>	<b>n/a</b>

  

<b>Market capitalization</b>	<b>CHF</b>	<b>248 400 000</b>	<b>254 400 000</b>
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<sup>1</sup> 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.

<sup>2</sup> Calculation for 6 month (1 January to 30 June)

**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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