

Media release

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SF Commercial Properties Fund A consistently good 2019 financial year

- **Consistent distribution of CHF 4.25 per share from current operations**
- **Renewed increase in the average lease term to 6.4 years**
- **Letting to anchor tenant in City Plaza Dietikon**

The SF Commercial Properties Fund can look back on another good financial year in 2019. Realised profit from current operations stood at CHF 10.3 million and the dividend from earnings per share was still CHF 4.25/share. The 19 properties remained constant in 2019. Market values were marginally adjusted to CHF 321.1 million. The average gross yield was 6.6%. The vacancy rate rose in the period to 19.8% due to principal tenants moving out as expected. The average lease term went up to 6.4 years thanks to active management.

Property portfolio

Numerous new tenants were also found in 2019. At City Plaza Dietikon in particular, a new anchor tenant was found in the co-working provider Markspace that signed a 12.5-year lease for 1 700m². The focus was also on managing existing tenants. In this respect, a lease extension until 31 December 2025 was concluded with the tenant Planzer in Lyss. This and other concluded leases helped increase the average lease term by 1 year to 6.4 years.

In 2019, contracts for 4 new photovoltaic units were concluded with an additional income of CHF 38 000 p.a., which means that 42% of the properties now generate renewable energy. A contract was also concluded to use green electricity that will produce extra cost savings.

Financial result

Net income generated in 2019 stands at CHF 10.3 million. Together with the balance carried forward, earnings available for distribution stand at CHF 11.5 million. An amount of CHF 4.25/share will be paid out. Borrowings fell to CHF 71.5 million with a current debt financing ratio of 22.3%.

Outlook

The focus continues to be on rental and tenant retention measures in an effort to increase the tenancy rate. There are also plans for selective portfolio reallocation.

On the reference date 23 March 2020, more than 90% of the SF Commercial Properties Fund's tenants had not suffered any direct consequences of the coronavirus pandemic. None of the top 10 tenants has been directly affected. To date, there have been very few enquiries from tenants that need to be resolved in direct talks with Asset and Portfolio Management.

Further Information

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For comprehensive reporting and the 2019 annual report, please visit:
www.sfp.ch

[Download 2019 annual report](#)

[Presentation Portfolio Manager \(Video\)](#)

[Presentation Annual Report 2019 \(PDF\)](#)

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 on the Real Estate Fund

as at 31 December 2019

Rent default rate	Entity	31. Dec. 2019	31. Dec. 2018
Expected net rentals	CHF	21 879 478	18 148 366
Vacancy ²	CHF	4 152 785	1 300 261
Losses on receivables ²	CHF	609 525	108 481
Rent default rate	%	21.77	7.76

Borrowing ratio	Entity	31. Dec. 2019	31. Dec. 2018
Borrowed capital	CHF	71 485 000	77 185 000
Market value of properties	CHF	321 090 000	323 450 000
Borrowing ratio	%	22.26	23.86

Dividend yield	Entity	31. Dec. 2019	31. Dec. 2018
Dividend per share	CHF	4.25	4.25
Market rate per share at end of reporting period	CHF	105.10	103.00
Dividend yield³	%	4.04	4.13
Payout ratio³	%	98.86	89.95

Operating profit margin (EBIT margin)	Entity	31. Dec. 2019	31. Dec. 2018
Operating profit	CHF	10 623 474	11 571 369
Rental income	CHF	16 957 482	16 588 682
Operating profit margin	%	62.65	69.75

Fund operating expense ratio (TER_{REF})	Entity	31. Dec. 2019	31. Dec. 2018
Operating expenses	CHF	3 231 295	2 918 870
∅ Gross asset value	CHF	328 819 059	284 187 121
∅ Market value	CHF	249 744 000	253 296 000
TER_{REF} (GAV)	%	0.98	1.03
TER_{REF} (MV)	%	1.29	1.15

Return on equity (ROE)¹		31. Dec. 2019	31. Dec. 2018
Total income	CHF	7 389 985	6 341 215
Net fund assets at beginning of reporting period	CHF	245 436 074	249 294 859
+ Balance from unit transactions at principal value	CHF	–	–
Net fund assets at beginning + balance unit transactions	CHF	245 436 074	249 294 859
Return on equity (ROE)	%	3.01	2.54

Premium	%	3.96	0.72
Performance	%	6.28	-0.69

Investment yield¹	Entity	31. Dec. 2019	31. Dec. 2018
NAV at beginning of reporting period	CHF	102.27	103.87
NAV at end of reporting period	CHF	101.09	102.27
Dividend per share in period	CHF	4.25	4.25
Investment yield	%	3.14	2.66

Return on invested capital (ROIC)¹	Entity	31. Dec. 2019	31. Dec. 2018
Adjusted total income + interest expense	CHF	7 639 110	6 465 626
Ø Gross asset value	CHF	328 819 059	284 187 121
Return on invested capital (ROIC)	%	2.32	2.28

Weighted average term of debt	Jahre	0.04	0.09
Interest on debt capital	%	0.24	0.38
Stock market capitalisation	CHF	252 240 000	247 200 000

¹ 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.

² In the 2018 annual report, vacancies and losses from receivables were included in rent losses.

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

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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