

## Media release

for immediate publication

Zurich, 7 September 2020

### **SF Commercial Properties Fund Constant first half-year 2020**

- **More than 4,000 square metres leased despite COVID-19**
- **Vacancy rate declines to 19.5%**
- **Stable WAULT at 6.0 years**
- **Portfolio value amounts to CHF 316.0 million following property divestment**

**SF Commercial Properties Fund looks back at a constant first half-year 2020 despite COVID-19. More than 4,000 square metres have been leased thanks to active management. The vacancy rate was therefore reduced to 19.5% in the reporting period. The weighted average unexpired lease term (WAULT) amounts to a good 6.0 years. The market value of the 18 properties declined to CHF 316.0 million through divestment of the property located in Rheinfelden for CHF 3.5 million as well as a COVID-19-related slight correction. The average gross yield amounts to an unchanged 6.6%. Realised profit totalled CHF 4.9 million in the first half-year, corresponding to earnings per share of CHF 2.01.**

#### **Real estate portfolio**

More than 4,000 square metres of rental space were newly leased in the first half-year 2020, amid a challenging environment. Two new rental contracts were concluded for the property in Allschwil (Gewerbstrasse 25) comprising total floor space of 1,242 square metres. In addition, the property in Aclens (Chemin du Coteau 23) has been fully leased following letting of 1,482 square metres. Floor space amounting to 550 square metres was leased for the first time at the property in Bubendorf (Grüngenstrasse 17). And new rental contracts totalling 617 square metres of space were concluded in City Plaza Dietikon (Lerzenstrasse 10).

The vacancy rate amounted to 19.5% in the reporting period and therefore improved by 0.3 percentage points versus the figure of the last reporting reference date (31.12.2019, 19.8%). At the same time, WAULT held steady at a very good level of 6.0 years (31.12.2019: 6.37 years).

The property located in Rheinfelden (Erlenweg 3) was divested according to plan as at 1 June 2020. The divestment price of CHF 3.5 million is roughly 6% above the market value estimated by Wüst Partner in the last valuation report (31.12.2019). Through a COVID-19-related correction in market value by CHF 1.7 million, the market value of the 18 properties held in the portfolio amounted to CHF 316.0 million as at 30 June 2020.

**COVID-19**

To date, 29 tenants have approached Asset Management regarding rent deferrals or definitive rent price reductions. Following analysis of the specific situations, the focus has been generally directed at finding mutually cooperative solutions in individual cases. Agreements have already been concluded with seven tenants up to now. Negotiations with the other tenants are continuing on an ongoing basis. Provisions amounting to CHF 0.7 million were booked as a precautionary measure due to the coronavirus pandemic.

**Financial results**

Rental income totalled CHF 7.9 million in the first half-year 2020 (previous year: CHF 8.2 million). The aforementioned provisions resulted in a decline in net income to CHF 4.8 million (previous year: CHF 5.2 million), corresponding to earnings per share of CHF 2.01. Recorded borrowed capital increased to CHF 74.3 million. The debt financing ratio corresponded to 23.5% (31.12.2019: 22.26%). Total fund assets amounted to CHF 321.6 million as at 30 June 2020 (31.12.2019: CHF 325.7 million).

**Outlook for the second half-year 2020**

The management's paramount issue remains focused on boosting occupancy rates – especially at City Plaza Dietikon – in the second half-year 2020. In order to achieve this objective, further leasing and tenant-loyalty measures are envisaged. At the same time, the focal point is aimed at resolving the COVID-19 tenant requests still open at present in a mutually cooperative way.

**Further information**

**Kai Brunko**  
**Portfolio Manager**  
**Real Estate Direct**  
Swiss Finance & Property Funds AG  
[brunko@sfp.ch](mailto:brunko@sfp.ch)

**Urs Kunz**  
**Head Client Relationship Management**  
**& Marketing**  
Swiss Finance & Property Group Ltd  
[kunz@sfp.ch](mailto:kunz@sfp.ch)

A comprehensive report can be found at: [www.sfp.ch](http://www.sfp.ch)

[Semi-Annual Report 2020 \(PDF\)](#)

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

[Presentation Semi-Annual Report 2020 \(PDF\)](#)

## Key Real Estate Fund Figures

as at 30 June 2020

<b>Rental default rate</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Expected net rents	CHF	10 814 322	10 582 462
Rent defaults	CHF	2 108 342	2 056 907
Losses on receivables	CHF	-61 904	349 423
<b>Rent defaults rate</b>	<b>%</b>	<b>18.92</b>	<b>22.74</b>

<b>Debt financing ratio</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Borrowed capital	CHF	74 285 000	76 685 000
Market value of properties	CHF	316 010 000	321 050 000
<b>Debt financing ratio</b>	<b>%</b>	<b>23.51</b>	<b>23.89</b>

<b>Distribution yield</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Distribution per unit	CHF	n/a	4.25
Stock exchange price per unit at end of reporting period	CHF	90.00	103.50
<b>Distribution yield</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>
<b>Distribution payout ratio</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>

<b>EBIT margin</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
EBIT	CHF	4 970 263	5 403 992
Rental income	CHF	7 859 656	8 159 872
<b>EBIT margin</b>	<b>%</b>	<b>63.24</b>	<b>66.23</b>

<b>Fund operating expenses ratio (TER REF)</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Operating expense	CHF	3 176 659	3 252 669
Ø Total fund assets	CHF	325 135 732	313 675 895
Ø Market value	CHF	240 192 000	250 704 000
<b>TER<sub>REF</sub> (GAV)</b>	<b>%</b>	<b>0.98</b>	<b>1.04</b>
<b>TER<sub>REF</sub> (MV)</b>	<b>%</b>	<b>1.32</b>	<b>1.30</b>

<b>Return on equity (ROE)<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Total profit	CHF	1 893 407	2 803 156
Net fund assets at beginning of reporting period	CHF	242 626 059	245 436 074
+ Balance of unit transaction at principal value	CHF	–	–
Net fund assets at the beginning of reporting period + capital increase	CHF	242 626 059	245 436 074
<b>ROE</b>	<b>%</b>	<b>0.78</b>	<b>1.14</b>

<b>Agio</b>	<b>%</b>	<b>-7.82</b>	<b>4.35</b>
-------------	----------	--------------	-------------

<b>Performance</b>	<b>%</b>	<b>-10.53</b>	<b>4.66</b>
--------------------	----------	---------------	-------------

<b>Return on investment yield</b> <sup>1/2</sup>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
NAV at beginning of period	CHF	101.09	102.27
NAV at the end of the period	CHF	97.63	99.18
Distribution per unit during the period	CHF	4.25	4.25
<b>Investment yield</b>	<b>%</b>	<b>0.81</b>	<b>1.19</b>

  

<b>Return on invested capital (ROIC)</b> <sup>1/2</sup>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Adjusted total profit + interest expenses	CHF	2 006 423	2 947 422
∅ Total fund assets	CHF	325 135 732	313 675 895
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>0.62</b>	<b>0.94</b>

  

<b>Remaining term of debt financing</b>	<b>Years</b>	<b>0.03</b>	<b>0.04</b>
---	--------------	-------------	-------------

  

<b>Interest of debt financing</b>	<b>%</b>	<b>0.34</b>	<b>0.32</b>
-----------------------------------	----------	-------------	-------------

  

<b>Market capitalisation</b>	<b>CHF</b>	<b>216 000 000</b>	<b>248 400 000</b>
------------------------------	------------	--------------------	--------------------

<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 months (1 January to 30 June)

**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).

**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 be 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.