

## Media Release

Zurich, 31 August 2021

Ad hoc announcement pursuant to Art. 53 LR

### **SF Commercial Properties Fund Stable first half of 2021 despite challenging market conditions**

- **Purchase of an attractive property in St. Gallen**
- **Market value of CHF 323.1 million**
- **Annual target rental income of CHF 20.5 million**
- **Vacancy rate maintained at the same level**
- **Average lease term increased on a high level**
- **Distribution of CHF 4.25 per unit for the year 2020**
- **Fund management considers capital increase**

Despite the challenging market conditions, the SF Commercial Properties Fund can reflect on a stable first half of 2021. Numerous successful lettings were achieved in the last six months. The WAULT increased slightly to a high 5.86 years. After the purchase of a property, the portfolio's market value equals to CHF 323.1 million as at 30 June 2021 (compared to CHF 306.8 million as at 31 December 2020) and the correspondingly increased annual target rental income at CHF 20.5 million (prior year CHF 19.8 million), resulting in a gross yield of 6.34%.

#### **Real estate portfolio**

Leases for rental space of 13 000 m<sup>2</sup> were concluded in the first half of 2021, including the contract lease for the new property in St. Gallen. The portfolio was further optimised through this letting success and the purchase of a property in St. Gallen. As at 30 June 2021, it comprised 18 properties with a portfolio value of CHF 323.1 million. Despite an additional vacant site in Buchs, the letting success and various lease extensions helped maintain the vacancy rate at 18.3% as at 30 June 2021, almost unchanged on the previous year-end level, and the average lease term improved marginally to 5.86 years.

### **Financial result as at 30 June 2021**

Compared to year-end 2020, the debt financing ratio increased slightly to 26.77% (31 December 2020: 20.69%). Especially due to the distribution for the year 2020 of CHF 10.20 million, net fund assets of CHF 236.59 million decreased marginally to CHF 230.41 million. A distribution of CHF 4.25 per unit was paid out to investors for 2020, equivalent to a distribution yield of 4.63%.

### **Impact of COVID-19**

Most of the fund's tenants were not affected by the pandemic. The very individual enquiries about rental adjustments were resolved by mutual agreement thanks to partnership-based rental arrangements.

Due to accruals and deferrals recognised in the previous year, the expenditure in this regard only amounted to around CHF 73 000 in the first half of 2021.

### **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, with a focus on increasing usage in the logistics, commercial, storage and industry sectors. The fund management is considering a possible capital increase in the second half of 2021.

### **Further information**

**Hans-Peter Wasser**  
**Portfolio Manager Real Estate Direct**

Swiss Finance & Property Funds Ltd  
[wasser@sfp.ch](mailto:wasser@sfp.ch)

**Urs Kunz**  
**Head Client Relationship Management & Marketing**

Swiss Finance & Property Ltd  
[kunz@sfp.ch](mailto:kunz@sfp.ch)

## Key figures as at 30 June 2021

<b>Rent default rate<sup>1</sup></b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Expected net rents	CHF	10 137 372	10 814 322
Rent default	CHF	1 967 635	2 108 342
Losses on receivables	CHF	256	-61 904
<b>Rent default rate</b>	<b>%</b>	<b>19.41</b>	<b>18.92</b>

  

<b>Debt financing ratio</b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Borrowed capital	CHF	86 485 000	74 285 000
Market value of properties	CHF	323 120 000	316 010 000
<b>Debt financing ratio</b>	<b>%</b>	<b>26.77</b>	<b>23.51</b>

  

<b>Distribution yield</b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Distribution per unit	CHF	n/a	n/a
Market rate per unit at end of reporting period	CHF	98.50	90.00
<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>Operating profit margin (EBIT margin)</b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Operating profit	CHF	5 109 987	4 970 263
Rental income	CHF	7 762 421	7 859 656
<b>Operating profit margin</b>	<b>%</b>	<b>65.83</b>	<b>63.24</b>

  

<b>Fund operating expense ratio (TER<sub>REF</sub>)</b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Operating expenses	CHF	3 116 487	3 176 659
∅ Gross asset value	CHF	318 839 172	325 135 732
∅ Market value	CHF	225 840 000	240 192 000
<b>TER<sub>REF</sub> (GAV)</b>	<b>%</b>	<b>0.98</b>	<b>0.98</b>
<b>TER<sub>REF</sub> (MV)</b>	<b>%</b>	<b>1.38</b>	<b>1.32</b>

  

<b>Return on equity (ROE)<sup>2/3</sup></b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Total income	CHF	4 022 330	1 893 407
Net fund assets at beginning of reporting period	CHF	236 585 182	242 626 059
+ Balance from unit transaction at principal value	CHF	-	-
Net fund assets at beginning of reporting period + capital increase	CHF	236 585 182	242 626 059
<b>Return on equity (ROE)</b>	<b>%</b>	<b>1.70</b>	<b>0.78</b>

  

<b>Premium</b>	<b>%</b>	<b>2.60</b>	<b>-7.82</b>
<b>Performance</b>	<b>%</b>	<b>12.07</b>	<b>-10.53</b>

<b>Investment yield<sup>2/3</sup></b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
NAV at beginning of reporting period	CHF	98.58	101.09
NAV at end of reporting period	CHF	96.00	97.63
Distribution per unit in period	CHF	4.25	4.25
<b>Investment yield</b>	<b>%</b>	<b>1.77</b>	<b>0.81</b>

  

<b>Return on invested capital (ROIC)<sup>2/3</sup></b>	<b>Unit</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Adjusted total net income + interest expenses	CHF	4 067 365	2 006 423
Ø Gross asset value	CHF	318 839 172	325 135 732
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>1.28</b>	<b>0.62</b>

  

<b>Remaining term to maturity of debt financing</b>	<b>years</b>	<b>0.04</b>	<b>0.03</b>
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<b>Interest on debt financing</b>	<b>%</b>	<b>0.13</b>	<b>0.34</b>
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<b>Market capitalisation</b>	<b>CHF</b>	<b>236 400 000</b>	<b>216 000 000</b>
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<sup>1</sup> Granted rent reductions are not taken into account when determining the rent default rate in accordance with the authoritative AMAS technical information.

<sup>2</sup> Historical performance data is no guarantee for future income. The funds' income and the value of the funds' units may increase as well as decrease and cannot be guaranteed. When units are redeemed, the investor may get back less money than originally invested.

<sup>3</sup> Calculation for six months (1 January to 30 June).

## Live broadcast

The management team of SF Commercial Properties Fund are presenting the 2021 half-year results as follows:

- **Presentation in German on Tuesday 31 August 2021, 09:30 a.m.**
- **Presentation in English on Tuesday 31 August 2021, 11:30 a.m.**

Hans-Peter Wasser (Portfolio Manager) will be commenting on the half-year results. A recording will be uploaded to our website [www.sfp.ch](http://www.sfp.ch) following the presentation. Thank you for your interest.

You can download the comprehensive reporting and the 2021 semi-annual report [here](#).

### **SF Commercial Properties Fund**

SF Commercial Properties Fund invests in properties that focus 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 of 23 June 2006 on Collective Investment Schemes (CISA). 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.