

Media Release

Zurich, 31 August 2022

Ad hoc announcement pursuant to Art. 53 LR

SF Commercial Properties Fund Stable first half of 2022

- Value increase, market value now CHF 330.73 million
- Reduced vacancy rate, stronger rental demand
- Stable, long contract terms
- Distribution of CHF 4.25 per unit for 2021 financial year
- Management fee reduced by 10 basis points to 0.65%

The SF Commercial Properties Fund can look back on a stable first half of 2022. Numerous successful lettings were achieved in the last six months. These lettings further reduced the vacancy rate to 14.93% as at 30 June 2022. Thanks to an active approach to asset and portfolio management, the market value of the portfolio increased by CHF 4.02 million or 1.23% in comparison to 31 December 2021 to CHF 330.73 million as at 30 June 2022. The gross yield is 6.18% as at 30 June 2022. The weighted average unexpired lease term (WAULT) was maintained at a high level of 5.33 years.

Real estate portfolio

Rental space of some 3 500 m² was let and contracts for around 5 200 m² were renewed in various properties.

In Buchs, rental space of around 4 400 m² became available at the beginning of 2021 after an anchor tenant moved out. Three-quarters of this space could be re-let within a short period of time. After the relevant authorities approved the rental contract with the Canton of Aargau for space totalling around 1 800 m² at the end of last year, the necessary finishing work was carried out with high priority so that the rental space could be handed over in the first half of 2022 as planned.

In Allschwil, the negotiations with the main tenant, Agrano Ltd, for the renewal of the contract for some 3 000 m² were concluded and the lease contract was extended by five years. In Dietikon, multiple contracts for rental space with a total area of 990 m² were concluded in the current year. In addition, serious negotiations are being held with various potential tenants for large areas of up to around 2 100 m². Numerous interested parties were evaluated for the "Cleantech Hub" project, which aims to attract companies in the energy, environment and sustainability sectors. The attractiveness of the property was also the reason for Swiss television SRF for filming.

Financial result as at 30 June 2022

The net income for the first half of 2022 totalled to CHF 5.04 million or CHF 2.10 per unit (prior-year period CHF 2.03 per unit). In addition, an unrealised capital gain of CHF 0.54 million or CHF 0.22 per unit could be recognised.

Thanks to consistent cost optimisation and the lower management fee, the EBIT margin could be increased by 26 basis points to 66.09% in spite of higher costs for maintenance and repairs. The lower management fee also led to a reduction of the TER GAV to 0.94%. A TER GAV of 0.91% is forecast for the end of 2022. The rent default rate was reduced from 19.41% in the previous year to 15.69% following the successful lettings. The investment yield totalled to an attractive 2.47% for the first half of 2022.

Net fund assets decreased in the period by CHF 4.63 million to CHF 230.77 million (CHF 96.15 per unit). This results from the total net income for the first half of 2022 of CHF 5.57 million, less the distribution of CHF 10.20 million in April 2022 for the 2021 financial year.

Investments

Besides investments relating to the letting of vacant space, measures are taken continually to preserve building quality. Windows were replaced on a large scale in Spreitenbach, the extensive work carried out on the roof and sewage system in Langenthal was completed, and planning for the roof renovation was started in St. Gallen.

Outlook

In addition to the direct involvement of Asset and Portfolio Management in important lease negotiations and building projects, strategically useful divestments and acquisitions of properties are constantly being assessed in order to optimise the portfolio.

Further information

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Key figures as at 30 June 2022

Rent default rate ¹	Unit	30 June 2022	30 June 2021
Expected net rents	CHF	10 423 392	10 137 372
Rent default	CHF	1 603 422	1 967 635
Losses on receivables	CHF	31 620	256
Rent default rate	%	15.69	19.41

Debt financing ratio	Unit	30 June 2022	30 June 2021
Borrowed capital	CHF	89 800 000	86 485 000
Market value of properties	CHF	330 730 000	323 120 000
Debt financing ratio	%	27.15	26.77

Distribution yield	Unit	30 June 2022	30 June 2021
Distribution per unit	CHF	n/a	n/a
Market rate per unit at end of reporting period	CHF	79.00	98.50
Distribution yield	%	n/a	n/a
Distribution payout ratio	%	n/a	n/a

Operating profit margin (EBIT margin)	Unit	30 June 2022	30 June 2021
Operating profit	CHF	5 392 195	5 109 987
Rental income	CHF	8 158 874	7 762 421
Operating profit margin	%	66.09	65.83

Fund operating expense ratio (TER _{REF})	Unit	30 June 2022	30 June 2021
Operating expenses	CHF	3 125 331	3 116 487
Ø Gross asset value	CHF	331 346 657	318 839 172
Ø Market value	CHF	220 128 000	225 840 000
TER_{REF} (GAV)	%	0.94	0.98
TER_{REF} (MV)	%	1.42	1.38

Return on equity (ROE) ^{2/3}	Unit	30 June 2022	30 June 2021
Total income	CHF	5 570 678	4 022 330
Net fund assets at beginning of reporting period	CHF	235 401 165	236 585 182
+ Balance from unit transaction at principal value	CHF	0	0
Net fund assets at beginning of reporting period + capital increase	CHF	235 401 165	236 585 182
Return on equity (ROE)	%	2.37	1.70

Premium	%	-17.84	2.60
Performance	%	-10.54	12.07

Investment yield ^{2/3}	Unit	30 June 2022	30 June 2021
NAV at beginning of reporting period	CHF	98.08	98.58
NAV at end of reporting period	CHF	96.15	96.00
Distribution per unit in period	CHF	4.25	4.25
Investment yield	%	2.47	1.77

Return on invested capital (ROIC)^{2/3}	Unit	30 June 2022	30 June 2021
Adjusted total net income + interest expenses	CHF	5 621 952	4 067 365
Ø Gross asset value	CHF	331 346 657	318 839 172
Return on invested capital (ROIC)	%	1.70	1.28
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Remaining term to maturity of debt financing	years	0.18	0.04
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Interest on debt financing	%	0.27	0.13
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Market capitalisation	CHF	189 600 000	236 400 000

¹ Granted rent reductions are not taken into account when determining the rent default rate in accordance with the authoritative AMAS technical information.

² 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.

³ Calculation for six months (1 January to 30 June).

Roadshows

The management team of SF Commercial Properties Fund are presenting the 2022 half-year results as follows:

- **Lunch presentation in German on Wednesday, 31 August 2022, 1:15 p.m. to 1:45 p.m., Park Hyatt, Zurich**
- **Breakfast presentation in English on Thursday, 1 September 2022, 9:15 a.m. to 9:45 a.m., Hôtel Metropole, Geneva**
- **Lunch presentation in English on Thursday, 1 September 2022, 1:15 p.m. to 1:45 p.m., Beau-Rivage Hôtel, Neuchâtel**
- **Breakfast presentation in German on Friday, 2 September 2022, 9:15 a.m. to 9:45 a.m., Hotel Märthof, Basel**

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

You can download the comprehensive reporting and the 2022 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.

Disclaimer

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