

Media Release

Zurich, 29 August 2023

Ad hoc announcement pursuant to Art. 53 LR

SF Commercial Properties Fund Stable First Half of 2023

- **Market value of CHF 316.48 million**
- **Reduced vacancy rate, stronger rental demand**
- **Stable, long contract terms**
- **Distribution of CHF 4.25 per unit for 2022 (of which CHF 3.15 was paid out exempt of withholding tax)**

The SF Commercial Properties Fund can look back on a stable first half of 2023. The past six months saw many successful lettings, leading to a reduction in the vacancy rate to 13.91% as at 30 June 2023. In the current market situation, the external valuation reflects higher discount rates. The portfolio's market value was reduced by CHF 4.78 million or 1.48% and is CHF 316.48 million as at 30 June 2023. The gross yield is 6.28%. The weighted average unexpired lease term (WAULT) was maintained at a high level of 4.93 years.

Real estate portfolio

New contracts and contract renewals were signed for around 5 800 m² in various properties.

Thanks to a rise in demand, some 2 300 m² have already been let in the property in Dietikon (ZH) in the first half of 2023. The negotiation of the letting of another 2 000 m² with a major prospective tenant is becoming more concrete.

In Staad (SG), several smaller spaces of around 180 m² have been let. New marketing activities are continuously launched in order to attract further interested parties.

Financial result

The market value of the 17 properties of the SF Commercial Properties Fund totalled CHF 316.48 million as at 30 June 2023. The portfolio property in Weinfelden (TG) was sold, which was valued at CHF 7.10 million as at 31 December 2022. The portfolio's gross yield was 6.28% as at 30 June 2023. The vacancy rate of 13.91% as at 30 June 2023 was down by 0.19 percentage points from 31 December 2022.

Total income for the past reporting period amounted to CHF 8.35 million (previous year: CHF 8.19 million). Rental income increased by CHF 0.16 million (+1.98%).

Expenses totalled CHF 3.79 million (previous year: CHF 3.15 million). The cost increase of CHF 0.64 million is primarily explained by the increase in mortgage interest rates. Net income amounted to CHF 4.56 million (previous year: CHF 5.04 million), which is equivalent to CHF 1.90 per unit for 2 400 000 units (previous year: CHF 2.10 per unit for 2 400 000 units).

Net fund assets decreased by CHF 11.35 million in the reporting period to CHF 220.61 million (previous year: CHF 231.96 million). This change derives from total income of CHF -1.15 million, minus the distribution of CHF 10.20 million paid out for the 2022 financial year.

Sales/Divestments

SF Commercial Properties Fund sold the property in Weinfelden above its market value on 1 January 2023. This logical divestment lessened the risk of negative changes affecting the letting situation and reduced the non-value-enhancing investments by around CHF 2.0 million.

Outlook

In addition to the direct involvement of Asset and Portfolio Management in important lease negotiations and construction 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 2023

Ratios on return and performance	Unit	30 Jun. 2023	31 Dec. 2022	31 Dec. 2021
Performance	%	-3.59 ¹	-4.42	5.25
Investment yield	%	-0.52 ¹	3.00	3.98
Operating profit margin	%	66.83	65.08	63.77
Return on equity	%	-0.50 ¹	2.87	3.81
Return on invested capital (ROIC)	%	-0.15 ¹	2.14	2.83
Dividend yield	%	n/a	5.04	4.59
Payout ratio	%	n/a	103.08	105.10

Ratios on the financial markets	Unit	30 Jun. 2023	31 Dec. 2022	31 Dec. 2021
Premium	%	-16.02	-12.68	-5.69
Price/earnings ratio (P/E ratio)	x	-160.66	29.94	24.62
Market capitalization	CHF	185 280 000	202 560 000	222 000 000
Market rate per unit at end of reporting period	CHF	77.20	84.40	92.50

Ratios on the balance sheet	Unit	30 Jun. 2023	31 Dec. 2022	31 Dec. 2021
Market value of properties	CHF	316 480 000	328 350 000	326 710 000
Purchase price of properties	CHF	332 678 309	339 449 500	334 631 571
Gross asset value	CHF	325 140 625	333 857 712	331 134 368
Borrowed capital	CHF	88 100 000	87 900 000	82 085 000
Net fund assets	CHF	220 612 582	231 965 859	235 401 165
Borrowing ratio	%	27.84	26.77	25.12
Gearing	%	32.15	30.52	28.91
Weighted average term of debt	years	1.47	0.83	0.08
Interest on debt capital	%	1.52	1.12	0.10

Ratios on the income statement	Unit	30 Jun. 2023	30 Jun. 2022	30 Jun. 2021
Rental income	CHF	8 320 726	8 158 874	7 762 421
Rent default rate ²	%	14.94	15.69	19.41
Net income	CHF	4 563 721	5 036 096	4 858 537
Realised capital gains/losses	CHF	-1 402 189	-1 250	567
Unrealised capital gains/losses	CHF	-4 314 809	535 832	-836 774
Total net income	CHF	-1 153 277	5 570 678	4 022 330
Fund operating expense ratio TER _{REF} (GAV)	%	0.93	0.94	0.98
Fund operating expense ratio TER _{REF} (MV)	%	1.58	1.42	1.38

Ratios on the units	Unit	30 Jun. 2023	31 Dec. 2022	31 Dec. 2021
Net asset value at end of reporting period	CHF	91.92	96.65	98.08
Distribution per unit	CHF	-	4.25	4.25
Units at beginning of reporting period	pc.	2 400 000	2 400 000	2 400 000
Issues	pc.	-	-	-
Redemptions	pc.	-	-	-
Units at end of reporting period	pc.	2 400 000	2 400 000	2 400 000

Ratios on the portfolio	Unit	30 Jun. 2023	31 Dec. 2022	31 Dec. 2021
Number of properties	pc.	17	18	18
Gross yield	%	6.28	6.27	6.28
Real discount rate	%	3.98	3.94	3.98
Nominal discount rate	%	5.28	4.98	4.50
Vacancy rate as of reporting date	%	13.91	14.10	15.66
Vacancy rate reporting period	%	14.58	14.25	18.13

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.

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

² Granted rent reductions are not taken into account when determining the rent default rate in accordance with the authoritative AMAS technical information.

Roadshows

The management team of SF Commercial Properties Fund are presenting the 2023 half-year results as follows:

- **Lunch presentation in German on Tuesday, 29 August 2023, Kongresshaus, Zurich**
- **Lunch presentation in English on Wednesday, 30 August 2023, Beau-Rivage Hôtel, Neuchâtel**
- **Lunch presentation in English on Thursday, 31 August 2023, Fairmont Grand Hotel, Geneva**
- **Lunch presentation in German on Friday, 1st September 2023, Hotel Märthof, Basel**

Hans-Peter Wasser (Portfolio Manager) will be commenting on the half-year results. Thank you for your interest.

You can download the comprehensive reporting and the 2023 semi-annual report on www.sfp.ch.

SF Commercial Properties Fund

The SF Commercial Properties Fund invests primarily in a diversified real estate portfolio of commercial properties throughout Switzerland with a focus on logistics, storage, commercial and industrial spaces, and manufacturing. In addition to excellent transport connections, the potential for value appreciation and tenant creditworthiness are key investment criteria. The long-term objective of the fund is to achieve the Federal Council's climate targets for 2030 and 2050 by implementing the climate-alignment sustainability approach.

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 (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, nor does it constitute a prospectus or a Key Information Document (KID). These documents, which alone are relevant for an investment decision, can be obtained for free from Swiss Finance & Property Funds Ltd. 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 Ltd 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. 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 Ltd does not accept any responsibility for the realisation of the anticipated increase in value. Detailed information on securities trading and investments in collective investment schemes can be found in the brochure "Risks in Trading with Financial Instruments" 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 Ltd. However, Swiss Finance & Property Funds Ltd 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 Ltd 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 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.