

Media Release

for immediate release

Zurich, 6 September 2018

SF Retail Properties Fund

Very successful interim result as at 30 June 2018

- **Market value increased by 14.39% to CHF 682.3 million**
- **Acquisition of five properties with a market value of CHF 80.37 million**
- **Increase in rental income by CHF 5.45 million**
- **Reduction of vacancy rate from 5.5% to 4.83%**

The SF Retail Properties Fund was very successful in the first half of 2018. More than one-third of current rental contracts have been renewed or extended in the past twelve months. The weighted average unexpired lease term (WAULT) rose to a peak of 7.0 years. At the same time, the market value of the properties increased to CHF 682.3 million as at 30 June 2018 (31/12/2017: CHF 596.4 million). The annual target rental could be increased to CHF 40.09 million. At 2.46%, the return on investment was up by 0.36 percentage points relative to 30 June 2017.

Real estate portfolio

The capital raised with the capital increase in May 2018 was invested in full by the end of the first half of 2018. On the reporting date, the portfolio comprised 83 properties in 19 cantons. The market value of the portfolio improved by 14.40% in the first half of 2018 compared to the end of 2017. Compared to 30 June 2017, the WAULT increased by 1.1 year to 7.0 years. This increase is due to the signing of new rental contracts with fixed terms of up to ten years as well as early extensions of contracts with current tenants by up to 17 years. A tenant was found for the last free rentable floor space in Grütpark Regensdorf, meaning that this property is fully tenanted just nine months after its acquisition.

Financial result as at 30 June 2018

The increase in rental income by CHF 5.45 million (+44.05%) is chiefly due to the acquisition of new properties. The level of the rents agreed for rental contract extensions and re-lettings is sufficient to ensure a sustainable income. Net fund assets rose by CHF 41.54 million to CHF 559.23 million. This value was affected by the net inflow of funds of CHF 50.14 million from the capital increase, the total income earned in the first half of 2018 of CHF 12.92 million and the distribution of CHF -21.52 million in March 2018.

Outlook

The reduction of free rentable floor space and the optimisation of current contracts will remain focal topics in the second half of 2018. The fund management regularly reconciles this with the most important tenants while involving local partners in the process. Other central tasks include continuing the development and renovation projects and reviewing acquisition options. One property in Sant'Antonino was already purchased after the reporting date and will be integrated into the portfolio in the coming weeks.

Further Information

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Comprehensive reporting and the semi-annual report 2018 can be found at:

www.sfp.ch

[Download Half-Year report 2018 \(german\)](#)

SF Retail Properties Fund

The SF Retail Properties Fund invests mainly in a diversified real estate portfolio of properties with retail surface. These include the ancillary rooms and associated parking facilities required for the operation. Besides retail surface, these properties can also contain industrial space, offices or apartments. Further information www.sfp.ch.

KEY REAL ESTATE FUNDS FIGURES

AS AT 30 JUNE 2018

Rent defaults rate¹	Unit	30 June 2018	30 June 2017
Expected net rents	CHF	18 779 468	12 780 884
Rent defaults	CHF	1 083 001	662 782
Rent defaults rate	%	5.77	5.19

Borrowing ratio¹		30 June 2018	30 June 2017
Borrowed capital	CHF	107 050 000	22 000 000
Market value of land	CHF	682 255 200	441 695 400
Borrowing ratio	%	15.69	4.98

Dividend yield^{1/2}		30 June 2018	30 June 2017
Dividend per unit ⁵	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	114.10	112.00
Dividend yield⁴	%	n/a	n/a
Dividend payout ratio⁴	%	n/a	n/a

EBIT margin¹		30 June 2018	30 June 2017
EBIT	CHF	12 813 288	8 433 971
Rental income	CHF	17 696 468	12 254 768
EBIT margin	%	72.41	68.82

Fund operating expenses ratio (TER_{REF})		30. Juni 2018	30. Juni 2017
Operating expense	CHF	6 182 997	4 434 416
∅ Total fund assets	CHF	589 610 554	394 796 167
∅ Market value	CHF	555 572 925	397 125 000
∅ Net fund assets	CHF	477 997 277	361 373 216
TER REF (GAV)¹	%	1.05	1.12
TER REF (MV)¹	%	1.11	1.12
TER REF (NAV)³	%	1.29	1.23

Return on equity (ROE)^{1/2}	Unit	30 June 2018	30 June 2017
Total profit	CHF	12 916 985	9 906 872
Net fund assets at beginning of reporting period	CHF	517 690 416	–
+ Balance of unit transaction at principal value	CHF	50 137 137	409 531 714
Net yield at the beginning + capital increase	CHF	567 827 553	–
Return on equity (ROE)	%	2.27	2.42
Agio / Disagio	%	13.62	12.31
Performance	%	– 0.21	n/a

Investment yield^{1/2}		30 June 2018	30 June 2017
NAV at beginning of period	CHF	102.26	101.12
NAV at the end of the period	CHF	100.42	99.73
Dividend per unit during the period	CHF	4.25	3.84
Investment yield	%	2.46	2.10

Return on invested capital (ROIC)^{1/2}		30 June 2018	30 June 2017
Adjusted total profit + interest expenses	CHF	12 331 035	9 926 419
∅ Total fund assets	CHF	589 610 554	394 796 167
Return on invested capital	%	2.09	2.51
Remaining terms of debt financing³	Years	0.09	0.1
Interest of debt financing³	%	0.37	0.73

¹ The key figures were calculated on the basis of the SFAMA "Specialist information factsheet on the key figures of real estate funds" dated 13 September 2016.

² 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.

³ These figures are shown on a voluntary basis and are not defined in the SFAMA "Specialist information factsheet on the key figures of real estate funds" dated 13 September 2016.

⁴ The distribution yield figure was calculated on the basis of the SFAMA "Specialist information factsheet on the key figures of real estate funds" for the last reporting period only.

Disclaimer

SF Retail Properties Fund (ISIN CH0285087455) 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).

About SF Retail Properties Fund – SF Retail Properties Fund invests in real estate and projects in the whole of Switzerland. The strategy is to optimise the sustainability of its buildings throughout their life cycle. The fund invests primarily in real estate that can be brought up to the ecological, sociological and economic criteria of the fund within seven years. Additional information can be found on www.sfp.ch.

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