

Media Release

for immediate release

Zurich, 25 March 2019

SF Retail Properties Fund Very successful annual result as at 31 December 2018

- **Market value increased by 18.51% to CHF 706.7 million**
- **Acquisition of six objects with a market value of CHF 103.83 million**
- **Increase in rental income by CHF 10.7 million**
- **Increase in unexpired contract terms to 6.8 years thanks to new business and targeted renewals**

The SF Retail Properties Fund ended the 2018 financial year on a very high note. 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) remains at a peak of 6.8 years. At the same time, the market value of the properties increased to CHF 706.7 million as at 31 December 2018 (31 December 2017: CHF 596.4 million). The rental income for the year 2018 rose by CHF 10.7 million to CHF 38.62 million. Net income grew by 19.4% to CHF 26.03 million, corresponding to net income per share of CHF 4.67.

Real estate portfolio

The capital increase in May 2018 brought in a total of CHF 50.14 million, which was fully invested by the end of the first half of 2018. On the reporting date, the portfolio comprised 84 properties in 19 cantons. The market value of the portfolio in 2018 improved by 18.51% compared to the valuation at the end of 2017. Compared to 31 December 2017, the WAULT stabilised at a high level with 6.8 years. It was possible to achieve this value thanks to contract renewals and new business. A tenant was found for the last free rentable floor space in Grütpark Regensdorf.

Financial result as at 31 December 2018

The increase in rental income by CHF 10.74 million (+38.52%) is chiefly due to the acquisition of new properties and the renting out of vacant spaces. The renewals of the rental contracts as well as the securing of new tenants were concluded at a level that guarantees the previous income on a sustainable basis. Net fund assets rose by CHF 50.38 million to CHF 568.08 million. The satisfactory result means that the dividend can be increased by CHF 0.10 to CHF 4.35 per share.

Outlook

The reduction in vacant rental spaces and the optimisation of the existing rental agreements remain the focal points for 2019. 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. After the balance sheet date, a property was bought in Adelboden at a purchase price of CHF 6.2 million, which will be integrated into the portfolio in the coming weeks.

Further Information

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A comprehensive report and the 2018 annual report can be found at
<https://www.sfp.ch/produkte/sf-retail-properties-fund/>

Payout

01.04.2019 **Ex dividend**
03.04.2019 **Payment**

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 on www.sfp.ch.

KEY FIGURES ON THE REAL ESTATE FUND

AS AT 31 DECEMBER 2018

Rent default rate ¹	Entity	31. Dec. 2018	31. Dec. 2017
Expected net rentals	CHF	38 796 425	27 843 101
Rent defaults	CHF	2 497 138	1 395 016
Rent default rate	%	6.44	5.01

Borrowing ratio ¹	Entity	31. Dec. 2018	31. Dec. 2017
Borrowed capital	CHF	108 375 000	59 100 000
Market value of properties	CHF	706 776 100	596 430 000
Borrowing ratio	%	15.33	9.91

Dividend yield ^{1/2}	Entity	31. Dec. 2018	31. Dec. 2017
Dividend per share ⁴	CHF	4.35	4.25
Market rate per share at end of reporting period	CHF	112.50	119.50
Dividend yield⁴	%	3.87	3.56
Payout ratio⁴	%	93.08	98.71

Operating profit margin (EBIT margin) ¹	Entity	31. Dec. 2018	31. Dec. 2017
Operating profit	CHF	25 642 566	18 665 882
Rental income	CHF	36 132 116	26 448 085
Operating profit margin	%	70.97	70.58

Fund operating expense ratio (TER _{REF})	Entity	31. Dec. 2018	31. Dec. 2017
Operating expenses	CHF	6 991 026	5 265 691
Ø Gross asset value	CHF	680 498 731	496 280 354
Ø Market value	CHF	619 913 250	486 437 133
Ø Net fund assets	CHF	542 081 894	443 702 905
TER_{REF} (GAV)¹	%	1.03	1.06
TER_{REF} (MV)¹	%	1.13	1.08
TER_{REF} (NAV)³	%	1.29	1.19

Return on equity (ROE) ^{1/2}	Entity	31. Dec. 2018	31. Dec. 2017
Total income	CHF	21 766 192	23 861 987
Net fund assets at beginning of reporting period	CHF	517 690 416	409 531 714
+ Balance from unit transactions at principal value	CHF	50 137 137	99 848 716
Net fund assets at beginning + balance unit transactions	CHF	567 827 553	509 380 430
Return on equity (ROE)	%	3.83	4.68
Premium	%	10.28	16.86
Performance⁴	%	-1.61	n/a

Investment yield^{1/2}	Entity	31. Dec. 2018	31. Dec. 2017
NAV at beginning of reporting period	CHF	102.26	101.12
NAV at end of reporting period	CHF	102.01	102.26
Dividend per share in period	CHF	4.25	3.84
Investment yield	%	4.08	4.69

Return on invested capital (ROIC)^{1/2}	Entity	31. Dec. 2018	31. Dec. 2017
Adjusted total income + interest expense	CHF	21 703 128	20 586 050
Ø Gross asset value	CHF	680 498 731	496 280 354
Return on invested capital (ROIC)	%	3.19	4.15
Weighted average term of debt³	Years	1.26	0.10
Interest on debt capital³	%	0.49	0.47
Stock market capitalisation³	CHF	626 484 375	604 968 750

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

² Historical performance data is no guarantee of future income. The income and value of the fund's shares may go up as well as down and cannot be guaranteed. When shares are redeemed, the investor may get back less money than originally invested.

³ These key figures are reported on a voluntary basis. Some of them are defined in the "Specialist information factsheet on the key figures of real estate funds" published by SFAMA on 13 September 2016.

⁴ The calculation is based on the anticipated distribution per unit.

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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