

Media release

for immediate publication

Zurich, 27 August 2019

SF Retail Properties Fund Very successful interim result as at 30 June 2019

- **Market value increased to CHF 717.7 million**
- **Expected rental income went up to CHF 41.2 million**
- **Increase in unexpired contract terms to 6.9 years thanks to new business and targeted extensions**

The SF Retail Properties Fund was very successful in the first half of 2019. It concluded new leases in ten locations and extended twelve existing ones by five years during this period. The weighted average unexpired lease term (WAULT) rose marginally to a peak value of 6.9 years compared to 31 December 2018. At the same time, the market value of the properties increased to CHF 717.7 million as at 30 June 2019 (30.06.2018: CHF 682.3 million). Annual target rental income went up to CHF 41.2 million. Net income stood at CHF 12.91 million, equivalent to net income for the half year proportionately of CHF 2.32.

Real estate portfolio

On the reporting date, the portfolio comprised 85 properties in 19 cantons. The market value of the portfolio improved by 5.19% in the first half of 2019 on a year-on-year basis. Compared to 31 December 2018, the WAULT stabilised at another high level at 6.9 years. It was possible to achieve this value thanks to contract extensions and new business. The renovation work in Bioggio is slowly coming to an end. One tenant on the ground floor has already opened the renovated shop and three other tenants are being renovated. The reopening festivities for the completely renovated building will take place on 29 August 2019.

Financial result as at 30 June 2019

The rise in rental income year on year was CHF 1.25 million, equivalent to a 7% rise. This was achieved through purchases, lease extensions and re-lettings. The net asset value at the end of June 2019 was CHF 554.78 million. A dividend of CHF 4.35 per share was paid out in April 2019.

Outlook

The reduction in available rental space and the optimisation of existing leases will continue to be the focus of attention in the second half of 2019. The fund management regularly reconciles this with the most important tenants while involving local partners in the process. The completion of renovation projects in Bioggio and La-Chaux-de-Fonds plus the review of acquisition options will also be a central task. One property in Vernier was purchased after the balance sheet date for CHF 16.55 million.

Further information

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A comprehensive report and the Half-Year Report 2019 can be found at:

www.sfp.ch

[Download Semi Annual Report 2019](#)

KEY REAL ESTATE FUNDS FIGURES

as at 30 June 2019

Rent defaults rate	Unit	30 June 2019	30 June 2018
Expected net rents	CHF	20 177 157	18 614 754
Building lease charge	CHF	243 425	173 722
Rent defaults	CHF	1 253 251	1 057 900
Losses on receivables	CHF	66 801	25 101
Rent defaults rate	%	6.46	5.77

Borrowing ratio	Unit	30 June 2019	30 June 2018
Borrowed capital	CHF	131 575 000	107 050 000
Market value of land	CHF	717 718 600	682 255 200
Borrowing ratio	%	18.33	15.69

Dividend yield	Unit	30 June 2019	30 June 2018
Dividend per unit	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	118.60	114.10
Dividend yield	%	n/a	n/a
Dividend payout ratio	%	n/a	n/a

EBIT margin	Unit	30 June 2019	30 June 2018
EBIT	CHF	13 269 176	12 813 288
Rental income	CHF	18 944 275	17 696 468
EBIT margin	%	70.04	72.41

Fund operating expenses ratio (TER_{REF})	Unit	30 June 2019	30 June 2018
Operating expense	CHF	7 152 216	6 182 997
∅ Total fund assets	CHF	719 371 195	589 610 554
∅ Market value	CHF	643 970 250	555 572 925
TER REF (GAV)	%	0.99	1.05
TER REF (MV)	%	1.11	1.11

Return on equity (ROE)^{1/2}	Unit	30 June 2019	30 June 2018
Total profit	CHF	10 926 013	12 916 985
Net fund assets at beginning of reporting period	CHF	568 078 120	517 690 416
+ Balance of unit transaction at principal value	CHF	-	50 137 137
Net yield at the beginning + capital increase	CHF	568 078 120	567 827 553
Return on equity (ROE)	%	1.92	2.27

Agio / Disagio	%	19.05	13.62
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Performance²	%	9.44	-0.21
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Investment yield^{1/2}	Unit	30 June 2019	30 June 2018
NAV at beginning of period	CHF	102.01	102.26
NAV at the end of the period	CHF	99.62	100.42
Dividend per unit during the period	CHF	4.35	4.25
Investment yield	%	2.01	2.46

Return on invested capital (ROIC)^{1/2}	Unit	30 June 2019	30 June 2018
Adjusted total profit + interest expenses	CHF	11 450 334	12 331 035
Ø Total fund assets	CHF	719 371 195	589 610 554
Return on invested capital	%	1.59	2.09

Remaining terms of debt financing	Years	0.95	0.09
Interest of debt financing	%	0.44	0.37
Market capitalization	CHF	660 453 750	635 394 375

¹ 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.

² Calculation for 6 month (1 January to 30 June)

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).

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