

## Media release

for immediate publication

Zurich, 7 September 2020

### **SF Retail Properties Fund Stable half-year results amid challenging environment**

- **Target rental income climbs to CHF 43.8 million**
- **WAULT holds steady at 6.5 years through new contracts and systematic renewals**
- **Portfolio value increases to CHF 763.4 million**
- **Dividend distribution amounts to CHF 4.35 per share**

**SF Retail Properties Fund has successfully closed out the first half-year 2020. The turbulent times surrounding the COVID-19-related measures have paved the way for concluding new rental contracts and extending renewals. The weighted average unexpired lease term (WAULT) held steady at a high figure of 6.5 years. The market value of properties grew to CHF 763.4 million as at June 2020. Annual target rental income remained stable at CHF 43.8 million. Net profit for the first half-year 2020 amounted to CHF 13.2 million, corresponding to earnings per share of CHF 2.17.**

#### **Real estate portfolio**

The portfolio comprised 88 properties located in 20 cantons as at the reference date. The market value of the portfolio increased by 6.3% as at 30 June 2020 versus the valuation at the first half-year 2019. The weighted average unexpired lease term (WAULT) remains at a high figure of 6.5 years, which was achieved through contract renewals and newly concluded contracts. Construction activities commenced for building a new retail pavilion located in Reinach AG. Planning activities for various expansion and renovation projects in Schöffland, Delémont, Aigle, Thayngen and Echallens have been forging ahead, opening the door for construction start-up in 2021.

#### **Financial results as at 30 June 2020**

Growth in target rental income amounted to CHF 2.6 million compared with the figure at 30 June 2019, corresponding to an improvement of 6.3%. This performance was achieved through acquisitions as well as realisation of expansion projects. Net fund assets increased by CHF 52.1 million versus the level of 30 June 2019 from CHF 554.8 million to CHF 606.9 million. A dividend amounting to CHF 4.35 per share was paid out in April 2020 for the financial year 2019. Total income climbed versus the figure reported in the first half-year 2019 results by 13.2% to CHF 12.4 million, while net profit edged up by 2.2% to CHF 13.2 million as at 30 June 2020.

### **Effects of emergency measures due to COVID-19**

The portfolio comprises anchor tenants such as major food retailers Coop, Aldi, Lidl and Denner as well as various drugstores, pharmacies, bakeries and kiosks with a share of rental income of more than 60%. The retail businesses of these tenants remained permanently open to ensure the basic supply of essentials. An additional 15% of rental income was unaffected by the lockdown measures imposed by the federal government (office and commercial space, parking places, apartments). The national and international formats that were compelled to close down shops between March and April continued to generate partial revenues through online points of sale or delivery services such as Coop specialty markets and Media Markt. Our tenants boast excellent creditworthiness and are hardly at financial risk due to the current market situation. We are engaging in constant dialogue with tenants and seeking mutually cooperative solutions in order to surmount the difficult circumstances. Agreements had been concluded with roughly 95% of the tenants affected up until 30 June 2020, which include rent deferrals or rent waivers with concurrent renewals of contract terms. These mutually cooperative solutions pave the way for strengthening the tenant base as well as underpinning SF Retail Properties Fund.

### **Outlook**

The issues of focus still remain directed at leasing portfolio rental space as well as optimising existing rental contracts, which the fund management regularly coordinates to this effect with the most important tenants and integrates local partners in the process too. Completion of the new building project located in Reinach as well as expansion and renovation projects are the focal points of construction activities. One new building project was registered already as at December 2019 and was added to the portfolio as at 1 July 2020. The property provides rental space for retail area, a joint medical practice as well as 12 apartments and is already fully leased prior to completion. Migros is the anchor tenant for the retail space, with a fixed-term rental contract of 15 years.

### **Further information**

**Thomas Lavater**

**Portfolio Manager**

**Real Estate Direct**

Swiss Finance & Property Funds AG

[lavater@sfp.ch](mailto:lavater@sfp.ch)

**Urs Kunz**

**Head Client Relationship Management  
& Marketing**

Swiss Finance & Property Group Ltd

[kunz@sfp.ch](mailto:kunz@sfp.ch)

A comprehensive report can be found at: [www.sfp.ch](http://www.sfp.ch)

[Semi-Annual Report 2020 \(PDF\)](#)

[Presentation Portfolio Manager \(Video\)](#)

[Presentation Semi-Annual Report 2020 \(PDF\)](#)

## Key Real Estate Fund Figures

as at 30 June 2020

<b>Rent defaults rate</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Expected net rents	CHF	22 078 998	20 420 583
Rent defaults	CHF	1 831 716	1 253 251
Losses on receivables	CHF	29 305	66 801
<b>Rent defaults rate</b>	<b>%</b>	<b>8.43</b>	<b>6.46</b>

<b>Debt financing ratio</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Borrowed capital	CHF	125 275 000	131 575 000
Market value of properties	CHF	763 441 300	717 718 600
<b>Borrowing ratio</b>	<b>%</b>	<b>16.41</b>	<b>18.33</b>

<b>Distribution yield</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Distribution per unit	CHF	n/a	n/a
Stock exchange price per unit at end of reporting period	CHF	106.50	118.60
<b>Distribution yield</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>
<b>Distribution payout ratio</b>	<b>%</b>	<b>n/a</b>	<b>n/a</b>

<b>EBIT margin</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
EBIT	CHF	13 531 082	13 269 176
Rental income	CHF	19 161 314	18'944 275
<b>EBIT margin</b>	<b>%</b>	<b>70.62</b>	<b>70.04</b>

<b>Fund operating expenses ratio (TER<sub>REF</sub>)</b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Operating expense	CHF	7 334 068	7 152 216
∅ Total fund assets	CHF	760 521 367	719 371 195
∅ Market value	CHF	683 741 250	643 970 250
<b>TER REF (GAV)</b>	<b>%</b>	<b>0.96</b>	<b>0.99</b>
<b>TER REF (MV)</b>	<b>%</b>	<b>1.07</b>	<b>1.11</b>

<b>Return on equity (ROE)<sub>1/2</sub></b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Total profit	CHF	12 369 517	10 926 013
Net fund assets at beginning of reporting period	CHF	620 929 495	568 078 120
+ Balance of unit transaction at principal value	CHF	–	–
Net fund assets at the beginning of reporting period + capital increase	CHF	620 929 495	568 078 120
<b>Return on equity (ROE)</b>	<b>%</b>	<b>1.99</b>	<b>1.92</b>

<b>Premium</b>	<b>%</b>	<b>6.61</b>	<b>19.05</b>
<b>Performance</b>	<b>%</b>	<b>-9.25</b>	<b>9.44</b>

<b>Investment yield<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
NAV at beginning of period	CHF	102.21	102.01
NAV at the end of the period	CHF	99.90	99.62
Distribution per unit during the period	CHF	4.35	4.35
<b>Investment yield</b>	<b>%</b>	<b>2.08</b>	<b>2.01</b>

  

<b>Return on invested capital (ROIC)<sup>1/2</sup></b>	<b>Unit</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Adjusted total profit + interest expenses	CHF	12 843 913	11'450'334
Ø Total fund assets	CHF	760 521 367	719 371 195
<b>Return on invested capital</b>	<b>%</b>	<b>1.69</b>	<b>1.59</b>

  

<b>Remaining term of debt financing</b>	<b>Years</b>	<b>0.90</b>	<b>0.95</b>
<b>Interest of debt financing</b>	<b>%</b>	<b>0.37</b>	<b>0.44</b>

  

<b>Market capitalisation</b>	<b>CHF</b>	<b>646 987 500</b>	<b>660 453 750</b>
------------------------------	------------	--------------------	--------------------

<sup>1</sup> 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.

<sup>2</sup> Calculation for 6 months (1 January to 30 June)

**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](http://www.sfp.ch).

**Disclaimer**

SF Retail Properties Fund 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 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 AG 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. 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, or a prospectus, a simplified prospectus or important information for investors (Key Investor Information Document; KIID) within the meaning of the Swiss Federal Act on Collective Investment Schemes. The sole documentation relevant for an investment decision can be obtained from Swiss Finance & Property Funds AG. 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 AG does not accept any responsibility for the realisation of the anticipated increase in value. Detailed information on trading in securities and investments in collective capital schemes can be found in the brochure "Special Risks in Securities Trading" 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 AG. However, Swiss Finance & Property Funds AG 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 AG 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.