

Media Release

Zurich, 31 August 2021

Ad hoc announcement pursuant to Art. 53 LR

SF Retail Properties Fund Good half-year result in a challenging environment

- **Expected rental income increased to CHF 46.9 million**
- **Stable figure for unexpired contract terms of 6.6 years thanks to new business and targeted extensions**
- **Market value increased by 6.36% (CHF 51.2 million) to CHF 856.1 million**

The SF Retail Properties Fund closed the first half of 2021 successfully. Despite a second lockdown due to COVID-19, the Fund managed to complete and extend new tenancy agreements. The WAULT of the SF Retail Properties Fund portfolio remained stable at a high 6.6 years compared to 31 December 2020. The market value of the properties increased to CHF 856.1 million as at 30 June 2021. Annual expected rental income went up to CHF 46.9 million. Net income for the first half of 2021 amounted to CHF 14.1 million, equivalent to net income of CHF 2.32 per unit.

Real estate portfolio

As at 30 June 2021, the SF Retail Properties Fund owned a property portfolio with a market value of CHF 856.1 million comprising 91 properties in over 20 cantons. Lettable space totalled 236 820 m², the largest portion accounted for by retail space at 76.7%, followed by storage and ancillary space at 9.1% and office/restaurant space at 6.9%. The residential portion equals to 2.7%. The tenant base remains stable, with the largest tenants being Coop, Migros, MediaMarkt, Aldi Suisse, Lidl Schweiz and Denner.

Financial result as at 30 June 2021

The rental income increased by CHF 2.2 million in the first half of 2021, which equals to an increase of 11.47% compared to the first half of 2020. This was achieved through property acquisitions and successful letting activities. Compared to 31 December 2020, net fund assets (NAV) decreased by CHF 7.0 million from CHF 620.6 million to CHF 613.6 million. This reduction resulted from the distribution of CHF 26.4 million in April 2021, equivalent to CHF 4.35 per unit. As at 30 June 2021, net income increased - compared to first half of 2020 - by 6.67% to CHF 14.1 million and total profit went up in the same period by 56.51% to CHF 19.4 million.

Impact of COVID-19

Due to the pandemic, the Federal Council ordered the closure of individual sectors between December 2020 and May 2021, affecting individual tenants of the SF Retail Properties Fund such as fitness centres, restaurants and non-food formats. However, a maximum of 6% of rental income was affected by closures thanks to the focus on "daily necessities". The fund management company was in constant contact with affected tenants and operators, formulating suitable solutions to avert long-term consequences. As at 30 June 2021, agreements were concluded with around twenty tenants. The reductions in rental income of around CHF 0.26 million were linked to contract extensions with an equivalent value of around CHF 4.7 million.

The measures to curtail the pandemic also meant that individual retail formats, particularly in the food sector, were able to post record sales in the last six months.

Outlook

The aim is to pursue a forward-looking strategy to optimise and stabilise the portfolio. As such, the focus is on letting to achieve higher operating income and guarantee the distribution on the basis of net income. Profitability and target rental income should be boosted by the acquisition of more properties.

Further information

Thomas Lavater
Portfolio Manager Real Estate Direct

Swiss Finance & Property Funds Ltd
lavater@sfp.ch

Urs Kunz
Head Client Relationship Management & Marketing

Swiss Finance & Property Ltd
kunz@sfp.ch

Key figures as at 30 June 2021

Rent default rate¹	Unit	30 June 2021	30 June 2020
Expected net rents	CHF	23 269 342	22 078 998
Rent default	CHF	1 690 931	1 831 716
Losses on receivables	CHF	-104 812	29 305
Rent default rate	%	6.82	8.43

Debt financing ratio	Unit	30 June 2021	30 June 2020
Borrowed capital	CHF	201 025 000	125 275 000
Market value of properties	CHF	856 091 000	763 441 300
Debt financing ratio	%	23.48	16.41

Distribution yield	Unit	30 June 2021	30 June 2020
Distribution per unit	CHF	n/a	n/a
Market rate per unit at end of reporting period	CHF	127.90	106.50
Distribution yield	%	n/a	n/a
Distribution payout ratio	%	n/a	n/a

Operating profit margin (EBIT margin)	Unit	30 June 2021	30 June 2020
Operating profit	CHF	14 719 876	13 531 082
Rental income	CHF	21 359 063	19 161 314
Operating profit margin	%	68.92	70.62

Fund operating expense ratio (TER_{REF})	Unit	30 June 2021	30 June 2020
Operating expenses	CHF	7 882 570	7 334 068
Ø Gross asset value	CHF	816 910 381	760 521 367
Ø Market value	CHF	718 551 000	683 741 250
TER_{REF} (GAV)	%	0.96	0.96
TER_{REF} (MV)	%	1.10	1.07

Return on equity (ROE)^{2/3}	Unit	30 June 2021	30 June 2020
Total income	CHF	19 359 590	12 369 517
Net fund assets at beginning of reporting period	CHF	620 667 238	620 929 495
+ Balance from unit transaction at principal value	CHF	-	-
Net fund assets at beginning of reporting period + capital increase	CHF	620 667 238	620 929 495
Return on equity (ROE)	%	3.12	1.99

Premium	%	26.63	6.61
Performance	%	10.37	-9.25

Investment yield¹	Unit	30 June 2021	30 June 2020
NAV at beginning of reporting period	CHF	102.17	102.21
NAV at end of reporting period	CHF	101.00	99.90
Distribution per unit in period	CHF	4.35	4.35
Investment yield	%	3.25	2.08

Return on invested capital (ROIC)^{2/3}	Unit	30 June 2021	30 June 2020
Adjusted total net income + interest expenses	CHF	19 860 779	12 843 913
Ø Gross asset value	CHF	816 910 381	760 521 367
Return on invested capital (ROIC)	%	2.43	1.69

Remaining term to maturity of debt financing	years	1.44	0.90
Interest on debt financing	%	0.27	0.37
Market capitalisation	CHF	776 992 500	646 987 500

¹ Granted rental reductions are not being accounted for the calculation of the rent default rate. This is in accordance with the guideline of AMAS.

² 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.

³ Calculation for six months (1 January to 30 June).

Live broadcast

The management team of SF Retail Properties Fund are presenting the 2021 half-year results as follows:

- **Presentation in German on Tuesday 31 August 2021, 09:00 a.m.**
- **Presentation in English on Tuesday 31 August 2021, 11:00 a.m.**

Thomas Lavater (Portfolio Manager) will be commenting on the half-year results. A recording will be uploaded to our website www.sfp.ch following the presentation. Thank you for your interest.

You can download the comprehensive reporting and the 2021 semi-annual report [here](#).

SF Retail Properties Fund

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.

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 of 23 June 2006 on Collective Investment Schemes (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, 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 be 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.