

## Media Release

Zurich, 29 March 2022

Ad hoc announcement pursuant to Art. 53 LR

### **SF Retail Properties Fund** **Very successful financial year 2021**

- **Market value increased by 8.0% to CHF 869.4 million**
- **Stable WAULT of 6.5 years thanks to new contracts and targeted renewals**
- **Acquisition of a property with a market value of CHF 40.6 million**
- **Target rental income increased up to CHF 47.1 million**
- **Distribution of CHF 4.35 per unit**

The financial year 2021 was very successful. The SF Retail Properties Fund achieved growth in all areas. Gross asset value increased by 8.1% to CHF 883.6 million and rental income increased 8.1% to CHF 42.8 million. At the same time, the vacancy rate decreased by 1.6 percentage points to 5.5% and the rent default rate was reduced by 2.1 percentage points to 6.3%. The weighted average unexpired lease term (WAULT) remains at a high level of 6.5 years. Net income amounts to CHF 27.6 million, which equals to net income of CHF 4.54 per unit for financial year 2021.

#### **Real estate portfolio**

The portfolio, which has a total lettable area of 233 912 m<sup>2</sup>, had a market value of CHF 869.4 million as at 31 December 2021 (+ CHF 64.5 million). The largest portion is accounted for by retail space at 75.6%, followed by office and commercial space at 10.7% and storage/ancillary space at 6.5%. The tenant base remains stable, with the largest tenants being Coop (supermarket/specialist store), Migros, MediaMarkt, Aldi Suisse, Lidl Schweiz and Denner. As a result, the portfolio now has 91 properties in 20 different cantons, with target rental income of CHF 47.1 million. The portfolio was successfully enlarged without a capital increase.

The vacancy rate as of 31 December 2021 decreased by 1.6 percentage points compared to the prior year to 5.5%. The letting of available spaces at different locations, including in Bioggio, Delémont and Zwingen, contributed to this reduction in the vacancy rate. Furthermore, a vacant property in Münsingen was sold as of 31 December 2021.

In addition to an acquisition in Kirchberg BE, numerous renovations were implemented and initiated in 2021. Investment in new builds, the addition of new storeys and renovations amounted to more than CHF 10.7 million in 2021. In the construction projects, special attention was paid to the sustainable use of resources and the use of energy-efficient materials. Particularly noteworthy is the renovation in Reiden by means of an energetic renovation of the property. Thanks to the good quality of the façade insulation, the building is heated entirely by the waste heat generated by the tenant's technical installations. The annual report contains more information on construction projects.

### **Financial result as at 31 December 2021**

Rental income amounted to CHF 42.8 million, which is an increase of 8.1% in comparison to 31 December 2020. This was achieved through an acquisition as well as lease extensions and re-lettings. Net fund assets increased by CHF 12.2 million to CHF 632.9 million (prior year: CHF 620.7 million).

Due to this good result, the SF Retail Properties Fund will pay a distribution of CHF 4.35 per unit for the 2021 financial year, which corresponds to a distribution payout ratio of 95.9%. The investment yield is 6.5%.

### **Impact of COVID-19**

The pandemic is an omnipresent issue for the second year in a row. The establishment of direct contact between tenants and the fund's management in the prior year has proved to be one of the positive aspects of this pandemic. Talks have been professional and constructive. This allowed partial monetary relief to be provided to good-quality tenants, who thus became obliged to the SF Retail Properties Fund in the long term. The fund's management had granted rent reductions totalling CHF 0.3 million as at 31 December 2021. This is about 0.6% of the target rental income. In return, rental contracts with terms of up to ten years and a total equivalent value of around CHF 5.5 million were concluded or renewed.

### **Outlook**

The customer relationships with our tenants remain central and we are constantly cultivating them. The implementation of upcoming construction work will have a positive impact on letting activity and reduce the structural vacancy rate. The planned development and renovation measures are being continued and implemented in a timely manner. Investment is being carried out in order to achieve the targets for the reduction paths, taking the sustainability strategy into account.

The SF Retail Properties Fund's portfolio is due to be expanded and enhanced in line with the strategy in the next financial year. This will be achieved by exploiting reserves for future expansion and by carrying out acquisitions.

**Further information**

**Thomas Lavater**  
**Portfolio Manager Real Estate Direct**

Swiss Finance & Property Funds Ltd  
[lavater@sfp.ch](mailto:lavater@sfp.ch)

**Urs Kunz**  
**Head Client Relationship Management & Marketing**

Swiss Finance & Property Ltd  
[kunz@sfp.ch](mailto:kunz@sfp.ch)

## Key figures 2021

<b>Rent default rate<sup>1</sup></b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Expected net rents	CHF	46 291 839	44 542 676
Rent default	CHF	2 859 868	3 605 266
Losses on receivables	CHF	75 924	144 573
<b>Rent default rate</b>	<b>%</b>	<b>6.34</b>	<b>8.42</b>
<b>Debt financing ratio</b>			
<b>Debt financing ratio</b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Borrowed capital	CHF	191 925 000	144 325 000
Market value of properties	CHF	869 397 200	804 921 200
<b>Debt financing ratio</b>	<b>%</b>	<b>22.08</b>	<b>17.93</b>
<b>Distribution yield<sup>2/3</sup></b>			
<b>Distribution yield<sup>2/3</sup></b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Distribution per unit	CHF	4.35	4.35
Market rate per unit at end of reporting period	CHF	125.50	120.00
<b>Distribution yield</b>	<b>%</b>	<b>3.47</b>	<b>3.63</b>
<b>Distribution payout ratio</b>	<b>%</b>	<b>95.88</b>	<b>98.99</b>
<b>Operating profit margin (EBIT margin)</b>			
<b>Operating profit margin (EBIT margin)</b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Operating profit	CHF	28 819 750	27 679 392
Rental income	CHF	42 845 604	39 648 349
<b>Operating profit margin</b>	<b>%</b>	<b>67.26</b>	<b>69.81</b>
<b>Fund operating expense ratio (TER<sub>REF</sub>)</b>			
<b>Fund operating expense ratio (TER<sub>REF</sub>)</b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Operating expenses	CHF	8 202 425	7 583 296
Ø Gross asset value	CHF	851 742 767	789 361 205
Ø Market value	CHF	754 393 500	700 143 750
<b>TER REF (GAV)</b>	<b>%</b>	<b>0.96</b>	<b>0.96</b>
<b>TER REF (MV)</b>	<b>%</b>	<b>1.09</b>	<b>1.08</b>
<b>Return on equity (ROE)<sup>2</sup></b>			
<b>Return on equity (ROE)<sup>2</sup></b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Total income	CHF	38 707 793	26 163 993
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
<b>Return on equity (ROE)</b>	<b>%</b>	<b>6.24</b>	<b>4.21</b>
<b>Premium</b>	<b>%</b>	<b>20.45</b>	<b>17.45</b>
<b>Performance</b>	<b>%</b>	<b>8.30</b>	<b>2.25</b>

<b>Investment yield<sup>2</sup></b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
NAV at beginning of reporting period	CHF	102.17	102.21
NAV at end of reporting period	CHF	104.19	102.17
Distribution per unit in period	CHF	4.35	4.35
<b>Investment yield</b>	<b>%</b>	<b>6.51</b>	<b>4.40</b>

  

<b>Return on invested capital (ROIC)<sup>2</sup></b>	<b>Unit</b>	<b>31 Dec. 2021</b>	<b>31 Dec. 2020</b>
Adjusted total net income + interest expenses	CHF	39 237 868	27 125 169
Ø Gross asset value	CHF	851 742 767	789 361 205
<b>Return on invested capital (ROIC)</b>	<b>%</b>	<b>4.61</b>	<b>3.44</b>

  

<b>Remaining term to maturity of debt financing</b>	<b>years</b>	<b>1.66</b>	<b>2.10</b>
---	--------------	-------------	-------------

  

<b>Interest on debt financing</b>	<b>%</b>	<b>0.25</b>	<b>0.34</b>
-----------------------------------	----------	-------------	-------------

  

<b>Market capitalisation</b>	<b>CHF</b>	<b>762 412 500</b>	<b>729 000 000</b>
------------------------------	------------	--------------------	--------------------

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

<sup>2</sup> 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.

<sup>3</sup> The calculation is based on the planned distribution per unit.

## Live broadcast

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

- **Presentation in German on Tuesday 29 March 2022 at 9:00 a.m.**
- **Presentation in English on Tuesday 29 March 2022 at 11:00 a.m.**

Thomas Lavater, Portfolio Manager, will be commenting on the results. A recording will be uploaded to our website [www.sfp.ch](http://www.sfp.ch) following the presentation. Thank you for your interest.

You can download the comprehensive reporting and the 2021 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](http://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, nor does it constitute a prospectus, a simplified prospectus, resp. Key Investor Information Document (KIID) or a basic information sheet within the meaning of the Swiss Financial Services Act (FIDLEG). These documents, which alone are relevant for an investment decision, can be obtained for free from Swiss Finance & Property Funds Ltd. 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 Ltd 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. 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 Ltd does not accept any responsibility for the realisation of the anticipated increase in value. Detailed information on securities trading and investments in collective investment schemes can be found in the brochure "Risks in Trading with Financial Instruments" 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 Ltd. However, Swiss Finance & Property Funds Ltd 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 Ltd 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.