

Media Release

Zurich, 4 March 2024

Ad hoc announcement pursuant to Art. 53 LR

SF Retail Properties Fund **Stable financial year 2023 and capital increase**

- Portfolio's market value increased to CHF 885.6 million
- Expected net rents increased to CHF 47.2 million (previous year: CHF 46.4 million)
- Vacancy rate (as at reporting date) reduced to 5.39%
- Same distribution of CHF 4.35 per unit
- Capital increase by CHF 40.9 million in March 2024

The SF Retail Properties Fund once again did very well in the challenging year 2023 and posted an encouraging operating result. Net income amounted to CHF 26.7 million or CHF 4.39 per unit. The distribution for 2023 is CHF 4.35 per unit, of which CHF 2.45 per unit can be paid out exempt of withholding tax.

Real Estate Portfolio

The portfolio's focus on "everyday consumer goods" once again proved successful in 2023. The market value of the 83 properties in the portfolio totalled CHF 885.6 million as at 31 December 2023. Due to discount rate adjustments, the property portfolio was devalued (like for like) by CHF 19.2 million. The portfolio's gross yield was 5.48% as at 31 December 2023. The vacancy rate declined by 0.56 percentage points year-on-year to 5.39% as at 31 December 2023, which is low compared to the benchmark.

In keeping with the fund's strategy, the property at Rue de la Nods 1 in Boncourt was sold for CHF 2.05 million as at 31 December 2023. An adjacent property of 484 m² was acquired for the new replacement construction project at Dorfstrasse 31/33 in Schöffland for a purchase price of CHF 0.35 million.

Construction and Development Projects

The Pré-Guillaume centre at Rue de l'Avenir 3/5 in Delémont was commissioned in early summer 2023 after the completion of the renovations. 13 apartments had already been let and several contracts for commercial space concluded by the end of 2023.

A new building will be constructed to replace the single-storey Coop building on plot 948 at Dorfstrasse in Schöffland. The project comprises a two-storey parking garage, a new Coop supermarket on the ground floor, and three-point blocks housing a total of 36 apartments on the upper floors.

The building permit was issued in January 2024. The replacement building will be constructed in two phases, and completion is planned for 2027.

In 2022, a new construction project scheduled for completion in March 2024 was acquired at Wilerstrasse 111-117 in Flawil. The project comprises 1 700 m² of commercial space on the ground floor and 18 apartments with a total area of 1 020 m² on the upper floors. The fully let spaces will be commissioned by March 2024.

Financial Result

The target rent of CHF 47.2 million could be increased by CHF 0.8 million on the previous year, primarily due to the adjustment of rents to inflation under indexed rental contracts. Total income amounted to CHF 43.4 million in the 2023 financial year (previous year: CHF 43.2 million).

Expenses totalled CHF 16.8 million (previous year: CHF 14.8 million). As in the previous year, the fund's total expense ratio (TER_{REF} (GAV), an indicator of the operating expenses charge, was 0.85%. Net income amounted to CHF 26.7 million (previous year: CHF 28.4 million), which is equivalent to CHF 4.39 per unit for 6 075 000 units (previous year: CHF 4.67 per unit for 6 075 000 units).

Net fund assets decreased by CHF 18.6 million to CHF 615.8 million (previous year: CHF 634.4 million) in the reporting period. This change derives from total income of CHF 7.8 million, minus the distribution of CHF 26.4 million paid out for the 2022 financial year.

The investment yield as at year-end was 1.29% (previous year: 4.59%) on a net asset value per unit of CHF 101.36 and the same distribution of CHF 4.35 per unit, of which CHF 2.45 per unit will be paid out exempt of withholding tax. At 4.07% (based on the price as at 31 December 2023), the distribution yield is stable at a high level (previous year: 4.30%).

Outlook

Since the turnaround of the interest rate environment, the real estate investment market has seen an increase in the supply of attractive retail properties. In order to benefit from this situation, the portfolio of the SF Retail Properties Fund will be expanded by acquisitions made in line with the strategy in the coming financial year. At the same time the current portfolio will continue to be developed in a targeted manner through feasibility studies, usage concepts and densification projects.

CHF 40.9 Million Capital Increase in March 2024

Swiss Finance & Property Funds Ltd will carry out a capital increase of CHF 40.9 million for the SF Retail Properties Fund from 7 March to 15 March 2024 (12:00 CET). Fifteen (15) existing units entitle the holder to purchase one (1) new unit for a net issue price of CHF 101.00 each. The issue will be carried out on a commission basis ("best-effort basis"), within the framework of a public rights offer in Switzerland. Subscription rights can be traded on the SIX Swiss Exchange between 7 March and 13 March 2024. The number of new units to be issued is limited to 405 000. It is possible that unsubscribed units, if any, will not be issued, which will reduce the issue amount. The exact number of new units to be issued will be determined after expiry of the subscription period, based on the subscriptions received. The fund management company will inform investors of the final number of new units to be issued by 21 March 2024 at the latest. The subscription paid-up date for the new units to be issued is 22 March 2024. The issue proceeds will be used to further expand the real estate portfolio as well as to exploit the potential of the investment properties and repay interest-bearing loans.

Issue Conditions

Issue volume	Target volume: CHF 40.9 million
Subscription period	from 7 March 2024 to 15 March 2024, 12:00 CET
Issue price per unit	CHF 101.00 net
Distribution	ex. dividend 5 March 2024, valuation date 7 March 2024
Subscription ratio	15:1 - fifteen (15) existing units entitle the holder to purchase one (1) new unit
Trading of subscription rights	The official trading of subscription rights will take place on the SIX Swiss Exchange between 7 March 2024 and 13 March 2024
Payment	22 March 2024
Securities number/ISIN (unit)	28508745 / ISIN CH0285087455 / Ticker SFR
Securities number/ISIN (entitlement)	132970874 / ISIN CH1329708742 / Ticker SFR1
Custodian bank	Zürcher Kantonalbank

Further information

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Key Figures 2023

Ratios on return and performance	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Performance	%	10.39	-16.57	8.30
Investment yield	%	1.29	4.59	6.51
Operating profit margin	%	71.48	71.13	67.26
Return on equity	%	1.23	4.40	6.24
Return on invested capital (ROIC)	%	1.18	3.26	4.61
Dividend yield	%	4.07	4.30	3.47
Payout ratio	%	99.13	93.09	95.88

Ratios on the financial markets	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Premium	%	5.57	-3.18	20.45
Price/earnings ratio (P/E ratio)	x	83.29	22.06	19.70
Market capitalization	CHF	650 025 000	614 182 500	762 412 500
Market rate per unit at end of reporting period	CHF	107.00	101.10	125.50

Ratios on the balance sheet	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Market value of properties	CHF	885 635 800	882 913 500	869 397 200
Purchase price of properties	CHF	873 247 622	848 610 568	835 292 368
Gross asset value	CHF	904 146 773	896 903 037	883 547 376
Borrowed capital	CHF	220 825 000	195 325 000	191 925 000
Net fund assets	CHF	615 744 099	634 366 236	632 948 781
Borrowing ratio	%	24.93	22.12	22.08
Gearing	%	31.90	29.27	28.36
Weighted average term of debt	years	2.36	2.82	1.66
Interest on debt capital	%	1.39	1.17	0.25

Ratios on the income statement	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Rental income	CHF	42 957 989	42 735 316	42 845 604
Rent default rate ¹	%	6.45	6.18	6.34
Net income	CHF	26 659 362	28 388 857	27 561 307
Realised capital gains/losses	CHF	315 505	2 143 748	-110 850
Unrealised capital gains/losses	CHF	-19 170 754	-2 688 900	11 257 336
Total net income	CHF	7 804 113	27 843 705	38 707 793
Fund operating expense ratio TER _{REF} (GAV)	%	0.85	0.85	0.96
Fund operating expense ratio TER _{REF} (MV)	%	1.23	1.10	1.09

Ratios on the units	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Net asset value at end of reporting period	CHF	101.36	104.42	104.19
Distribution per unit	CHF	4.35	4.35	4.35
Units at beginning of reporting period	pc.	6 075 000	6 075 000	6 075 000
Issues	pc.	-	-	-
Redemptions	pc.	-	-	-
Units at end of reporting period	pc.	6 075 000	6 075 000	6 075 000

Ratios on the portfolio	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Number of properties	pc.	83	84	91
Gross yield	%	5.48	5.44	5.50
Real discount rate	%	3.66	3.62	3.69
Nominal discount rate	%	4.95	4.66	4.21
Vacancy rate as of reporting date	%	5.39	5.95	5.49
Vacancy rate reporting period	%	6.15	5.55	6.06
WAULT	years	6.18	6.65	6.50

Historical performance data is no guarantee of future returns. The fund's income and the value of the fund units may increase or decrease and cannot be guaranteed. When redeeming fund units, the investor may get back less money than he originally invested.

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.

Live Broadcast

Thomas Lavater, Portfolio Manager of the SF Retail Properties Fund, will present the 2023 annual results as follows:

- [Presentation in German on Monday, 4 March 2024, 10:00 a.m.](#)
- [Presentation in English on Monday, 4 March 2024, 11:00 a.m.](#)

A recording will be uploaded to our website www.sfp.ch following the presentation. Thank you for your interest.

For comprehensive reporting and the 2023 annual report, click [here](#).

SF Retail Properties Fund

The SF Retail Properties Fund invests in properties with retail space, throughout Switzerland. The assets include the ancillary rooms and associated parking facilities required for the tenant's operations. Besides retail space, these properties may also contain industrial space, offices or apartments. The criteria taken into account for investments include but are not limited to upside potential, tenant creditworthiness, quality of construction and building materials. The long-term objective of the fund is to achieve the Federal Council's climate targets for 2030 and 2050 by implementing the climate-alignment sustainability approach.

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 does not represent a prospectus pursuant to Art. 35 ff. of the Financial Services Act (FinSA) or Art. 27 ff. of the Listing Rules of the SIX Swiss Exchange, nor does it constitute a key information document (KID). 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 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.