

## Media Release

Zurich, 21 March 2024

Ad hoc announcement pursuant to Art. 53 LR

### **SF Commercial Properties Fund Solid result for 2023**

- Earnings situation has improved
- Vacancy rate was reduced by half to 6.9%
- Stable letting situation and high WAULT
- Same distribution of CHF 4.25 per unit, of which CHF 3.15 per unit to be paid out exempt of withholding tax

The SF Commercial Properties Fund can look back on a solid 2023 financial year. Successful lettings and the sale of the property in Dietikon substantially reduced the vacancy rate by 51.1% to 6.9% as at 31 December 2023. Due to sales and a market-related value adjustment, the portfolio's market value was CHF 279.5 million as at 31 December 2023, which is CHF 48.8 million or 14.9% less than in the previous year. The gross yield is 6.3%. The weighted average unexpired lease term (WAULT) was maintained at a high level of 4.8 years.

#### **Real estate portfolio**

In addition to new lets for around 8 840 m<sup>2</sup>, contract renewals were signed for around 16 750 m<sup>2</sup>. Important new contracts were in particular concluded for the properties in Dietikon, Castione, Buchs and Möhlin. The most important contract renewal concerned the property in Lyss, for which the general lease with Planzer Transport AG was renewed prematurely until 2030.

Thanks to the new lettings and contract renewals, the weighted average unexpired lease term (WAULT) could be maintained at a high level of 4.8 years (previous year: 5.0 years) as at the reporting date. As no important rental contracts will expire in 2024, the letting situation is likely to remain stable.

#### **Financial result**

The market value of the 16 properties of the SF Commercial Properties Fund totalled CHF 279.5 million (previous year: CHF 328.3 million) as at 31 December 2023. The number of properties was reduced by the sale of two properties in Weinfelden and Dietikon. The portfolio's gross yield was 6.3% as at 31 December 2023. The vacancy rate declined considerably to 6.9% as at 31 December 2023 (previous year: 14.1%).

Total income amounted to CHF 16.8 million (previous year: CHF 16.8 million) in the 2023 financial year. Rental income increased by CHF 0.1 million to CHF 16.7 million (previous year: CHF 16.6 million).

Expenses totalled CHF 6.9 million (previous year: CHF 6.9 million). Net income amounted to CHF 9.9 million (previous year: CHF 9.9 million), equivalent to CHF 4.14 per unit for 2 400 000 units (previous year: CHF 4.12 per unit for 2 400 000 units).

Net fund assets decreased by CHF 20.8 million in the reporting period to CHF 211.2 (previous year: CHF 232.0 million). This change derives from total income of CHF -10.6 million, minus the distribution of CHF 10.2 million paid out for the 2022 financial year.

### **Sales/divestments**

SF Commercial Properties Fund sold the property in Weinfelden above its market value on 1 January 2023. The sale was motivated by changes in the letting potential and the imminent need for investments.

The sale of the property in Dietikon at the end of the year, which placed a disproportionate burden on the portfolio, considerably improved the portfolio's earnings situation.

### **Outlook**

Even after the substantial reduction of the vacancy rate, the focus continues to fall on further exploiting the potential of the available spaces.

Work is continuing on development projects and a site development designed to exploit the portfolio's potential and create long-term added value.

Together with the optimisation of the portfolio achieved by last year's transactions and the active management of vacancies and costs, this ensures a sustained distribution payout.

### **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	%	<b>-2.10</b>	-4.42	5.25
Investment yield	%	<b>-4.76</b>	3.00	3.98
Operating profit margin	%	<b>68.29</b>	65.08	63.77
Return on equity	%	<b>-4.55</b>	2.87	3.81
Return on invested capital (ROIC)	%	<b>-2.81</b>	2.14	2.83
Dividend yield	%	<b>5.42</b>	5.04	4.59
Payout ratio	%	<b>102.69</b>	103.08	105.10

Ratios on the financial markets	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Premium	%	<b>-10.91</b>	-12.68	-5.69
Price/earnings ratio (P/E ratio)	x	<b>-17.83</b>	29.94	24.62
Market capitalization	CHF	<b>188 160 000</b>	202 560 000	222 000 000
Market rate per unit at end of reporting period	CHF	<b>78.40</b>	84.40	92.50

Ratios on the balance sheet	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Market value of properties	CHF	<b>279 550 000</b>	328 350 000	326 710 000
Purchase price of properties	CHF	<b>292 300 178</b>	339 449 500	334 631 571
Gross asset value	CHF	<b>310 081 467</b>	333 857 712	331 134 368
Borrowed capital	CHF	<b>85 000 000</b>	87 900 000	82 085 000
Net fund assets	CHF	<b>211 213 800</b>	231 965 859	235 401 165
Borrowing ratio	%	<b>30.41</b>	26.77	25.12
Gearing	%	<b>31.88</b>	30.52	28.91
Weighted average term of debt	years	<b>2.08</b>	0.83	0.08
Interest on debt capital	%	<b>1.82</b>	1.12	0.10

Ratios on the income statement	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Rental income	CHF	<b>16 730 991</b>	16 635 159	15 995 059
Rent default rate	%	<b>15.40</b>	14.96	19.03
Net income	CHF	<b>9 932 770</b>	9 894 873	9 704 623
Realised capital gains/losses	CHF	<b>-22 261 151</b>	-1 250	294
Unrealised capital gains/losses	CHF	<b>1 776 322</b>	-3 128 929	-688 934
Total net income	CHF	<b>-10 552 059</b>	6 764 694	9 015 983
Fund operating expense ratio TER <sub>REF</sub> (GAV)	%	<b>0.91</b>	0.91	0.99
Fund operating expense ratio TER <sub>REF</sub> (MV)	%	<b>1.55</b>	1.47	1.38

Ratios on the units	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Net asset value at end of reporting period	CHF	<b>88.01</b>	96.65	98.08
Distribution per unit	CHF	<b>4.25</b>	4.25	4.25
Units at beginning of reporting period	pc.	<b>2 400 000</b>	2 400 000	2 400 000
Issues	pc.	-	-	-
Redemptions	pc.	-	-	-
Units at end of reporting period	pc.	<b>2 400 000</b>	2 400 000	2 400 000

Ratios on the portfolio	Unit	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Number of properties	pc.	16	18	18
Gross yield	%	6.31	6.27	6.28
Real discount rate	%	3.95	3.94	3.98
Nominal discount rate	%	5.25	4.98	4.50
Vacancy rate as of reporting date	%	6.89	14.10	15.66
Vacancy rate reporting period	%	13.75	14.25	18.13
WAULT	years	4.83	5.03	5.47

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.

<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.

## Roadshow

Hans-Peter Wasser, Portfolio Manager of the SF Commercial Properties Fund, is presenting the 2023 annual results as follows:

- **Lunch presentation on Thursday, 21 March 2024, Mandarin Oriental Savoy, Zurich**
- **Lunch presentation on Friday, 22 March 2024, Hotel Märthof, Basel**
- **Lunch presentation on Monday, 25 March 2024, Fairmont Grand Hotel, Geneva**
- **Lunch presentation on Tuesday, 26 March 2024, Beau-Rivage Hôtel, Neuchâtel**

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

## **SF Commercial Properties Fund**

The SF Commercial Properties Fund invests primarily in a diversified real estate portfolio of commercial properties throughout Switzerland with a focus on logistics, storage, commercial and industrial spaces, and manufacturing. In addition to excellent transport connections, the potential for value appreciation and tenant creditworthiness are key investment criteria. 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 Commercial Properties Fund (ISIN CH0344799694) 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.