Swiss Prime Site Solutions REAL ESTATE ASSET MANAGERS

Swiss Prime Site Solutions Investment Fund Commercial

Factsheet from 30.09.2022

Investment strategy

The Swiss Prime Site Solutions Investment Fund Commercial invests directly in commercial properties in good to very good locations throughout Switzerland.

The investment focus is on broad diversification, high cash flow stability and economically established locations. The properties mostly fall within the office, commercial and retail types of use.

The main investment criteria for exploiting related opportunities are:

- High level of tenant diversification with excellent credit rating and reputation
- Potential for value growth through portfolio development
- Mainly sole ownership
- Stable cash flows with low vacancy rates
- Attractive cost-income profile

Fund information

Fund name	Swiss Prime Site Solutions Investment Fund Commercial
Securities number	113 909 906
ISIN	CH1139099068
Legal form	Contractual real estate fund for qualified investors (Art. 25 et seq. CISA)
Investor base	Qualified investors within the meaning of Art. 10 para. 3 and 3ter CISA in conjunction with Art. 4 paras. 3–5 and Art. 5 para. 1 FinSA
Tradability	Daily OTC trading (at BCV – PropertyMatch / Lienhardt & Partner Privatbank Zurich AG)
Accounting year	1 October to 30 September
Initial launch	17.12.2021

Key figures (as at 30.09.2022)

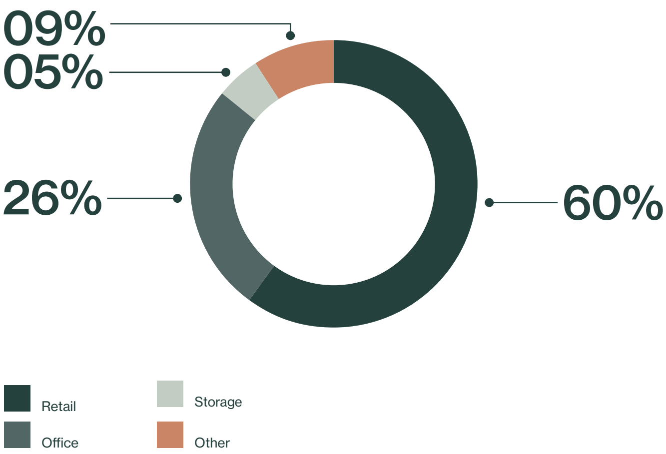
Net asset value per unit in CHF	105.75
Closing price in CHF	98.50
Discount / Premium	-6.86%
Fair value of the properties	346 444 000
Total fund assets (GAV) in CHF	349 625 204
Net fund assets (NAV) in CHF	224 155 040
Loan-to value ratio as % of fair value[1]	34.85%
Distribution per share in CHF[2]	3.50
Cash yield	3.55%
Payout ratio	86.35%
Return on equity (ROE)[3]	5.75%
Return on invested capital (ROIC)[3]	4.01%
Return on investment[3]	5.75%
of which cashflow return[3]	4.05%
of which change in value yield[3]	1.70%
Total expense ratio (TER_{REF}GAV)[4]	0.72%
Total expense ratio (TER_{REF}MV)[4]	1.03%
Management fee p.a.	0.47%
Rent default rate	3.59%
Weighted average unexpired lease term (WAULT)	3.81 years

Figures based on the annual report as at 30 September 2022 (audited)
1) FINMA approval for an exemption to the maximum encumbrance limits in the first two years from launch
2) Ex-date: 18.11.2022 / payment date: 9.12.2022
3) Calculation since launch (17.12.2021 - 30.09.2022)
4) Annualised figures

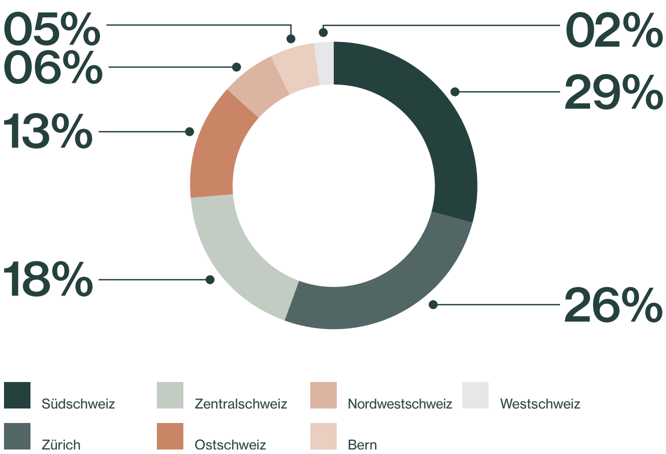
Performance

1 month	3 months	6 months	YTD	s.i. 17.12.2021
–2.96%	–2.72%	-5.74%	-2.34%	-0.39%

Portfolio split by type of use as at 30.09.2022 (target rental income)



Portfolio split by region as at 30.09.2022 (fair value)



Quarterly CIO's review

An audited annual report was published for the first time as at 30.09.2022. The annual report 2021/22 covers the performance over the course of a short financial year of around nine months from the fund's launch on 17 december 2021. Dynamic growth was achieved over this period, and a high-yield portfolio with potential for value growth has been built up. The investment strategy's countercyclical focus on commercial properties is proving shrewd and resilient amid high inflation, thanks to rent indexation.

The SPSS IFC has performed well even in its build-up phase, recording a return on investment of 5.75%. The cash flow yield for this short financial year of 4.05% is above the annualised target range of 3.5% to 4.0%. The capital committed by the investors was invested in full and in accordance with the strategy. Meanwhile, the use of borrowed capital was deliberately kept in check on average over the reporting period, given expectations of interest rate increases. Thanks to our broad market access and disciplined acquisition policy, we bought 16 properties over nine months, with a combined market value of around CHF 350 million.

The vacancy rate of 3.6% is at the lower end of the strategic target range of 3%-8%. The modest rise in the vacancy rate between the midpoint and end of the year 2021/22 is largely linked to initial vacancies at Centro Lugano Sud, where premises are now being relet. With about 3 million visitors per year, high visibility and good recognition, Centro Lugano Sud offers an outstanding platform for retailers in Ticino, reflected in the waiting list of interested tenants.

For more information about the SPSS IFC, please visit our website or contact:

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