



Swiss Prime Site
Solutions REAL ESTATE
ASSET MANAGERS

Unaudited semi-annual report as at 31 March 2023

Swiss Prime Site Solutions
Investment Fund (SPSS IF) Commercial

A contractual investment fund under Swiss law for qualified
investors in the “real estate fund” category

Contents

04	Key information at a glance
05	Management and governance bodies
07	Fund information & Information on third parties
08	Activity report by the fund management company
11	Essential key figures
12	Portfolio structure
14	Balance sheet
15	Income statement
17	Notes
18	Property details
23	Valuation report

Key information at a glance

Key data	31.03.2023	31.03.2022
Number of units in circulation at the start of the reporting period	2 119 576	0
Fund units issued	223 179	1 441 705
Fund units redeemed	0	0
Number of units in circulation at the end the reporting period	2 342 755	1 441 705
Net asset value per unit in CHF	105.03	103.21
Closing price in CHF (Mid) ¹	100.00	104.50
Market value in CHF	234 275 500	150 658 173
Premium	-4.79%	1.25%
Balance sheet	31.03.2023	31.03.2022
Fair value of the properties	437 891 000	230 726 000
Total fund assets (GAV) in CHF	447 920 344	236 727 928
Net fund assets (NAV) in CHF	246 051 412	148 802 652
Loan-to-value ratio as % of fair value ²	44.35%	37.27%
Return and performance information	01.10.2022– 31.03.2023	17.12.2021– 31.03.2022
Distribution in CHF	none	none
Cash yield	n.a.	n.a.
Payout ratio	n.a.	n.a.
Return on equity (ROE)	2.63% ³	3.21% ⁴
Return on invested capital (ROIC)	1.77% ³	2.23% ⁴
Return on investment	2.71% ³	3.21% ⁴
of which cash flow yield	2.63% ³	1.15% ⁴
of which capital growth	0.08% ³	2.06% ⁴
Performance ⁵	4.03% ³	3.50% ⁴
Total expense ratio, GAV (TER _{REF} GAV)	0.72% ⁶	0.68% ⁷
Total expense ratio, market value (TER _{REF} MV)	1.17% ⁶	0.95% ⁷
Income statement	01.10.2022– 31.03.2023	17.12.2021– 31.03.2022
Net income	6 300 393	1 666 394
Rental income	9 815 006	2 446 639
Rent default rate	3.74%	2.78%
Weighted average unexpired lease term (WAULT)	5.81 years	5.02 years

1) Only over-the-counter trading on the secondary market

2) FINMA approval for an exemption to the maximum encumbrance limits in the first two years after the launch

3) Calculation for six months (01.10.2022–31.03.2023)

4) Calculation since the launch (17.12.2021–31.03.2022)

5) Performance (calculated based on bid prices)

6) Calculation for the last 12 months (01.04.2022–31.03.2023)

7) Annualised figures

Management and governance bodies

Fund management company	Swiss Prime Site Solutions AG, Zug
External auditor	KPMG AG, Zurich
Custodian bank	Banque Cantonale Vaudoise, Lausanne

Board of Directors¹



Jürg Sommer

Chairman of the Board of Directors
(since 05.12.2022)



Marcel Kucher

Member of the Board of Directors



Philippe Keller

Member of the Board of Directors

The Board of Directors of the fund management company comprises the following members:

- Jürg Sommer, also Group General Counsel of Swiss Prime Site AG, Zug, and Chairman of the Board of Directors of Akara Property Development AG, Zug
- Marcel Kucher, also Group CFO of Swiss Prime Site AG, Zug, and a member of the Board of Directors of the following Swiss Prime Site Group companies: Akara Property Development AG, Zug, Jelmoli AG, Zurich, Swiss Prime Site Immobilien AG, Zurich, Swiss Prime Site Finance AG, Zug, Swiss Prime Site Management AG, Zug, Wincasa AG
- Philippe Keller, also Managing Partner of PvB Pernet von Ballmoos AG, Zurich, and a member of the Board of Directors of Akara Property Development AG, Zug

The Board of Directors of the fund management company comprises the following members:

- Anastasius Tschopp, CEO and also a member of the Executive Board of Akara Property Development AG, Zug, and a member of the Executive Board of the Swiss Prime Site Group
- Philippe Brändle, CFO and also a member of the Executive Board of Akara Property Development AG, Zug
- Jerome Pluznik, Legal & Compliance and also a member of the Executive Board of Akara Property Development AG, Zug
- Patrick Mandlehr, CIO of Akara Diversity PK and also a member of the Executive Board of Akara Property Development AG, Zug
- Reto Felder, CIO of the Swiss Prime Investment Foundation and also a member of the Executive Board of Akara Property Development AG, Zug

¹) René Zahnd, Chairman of the Board of Directors (until 05.12.2022)

Operational Management



Anastasius Tschopp
CEO



Philippe Brändle
CFO



Maximilian Hoffmann
CIO Funds (Commercial)



Samuel Bergstein
Head Acquisition & Sales (Commercial)



Fabian Linke
Head Business Development



Fund information

Key data

Fund name	Swiss Prime Site Solutions Investment Fund Commercial
Securities number/ISIN	113 909 906/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
Accounting year	1 October to 30 September

Information on third parties

Accredited valuation experts

- Laura Blaufuss, PriceWaterhouseCoopers AG, Zurich
- Sebastian Zollinger, PriceWaterhouseCoopers AG, Zurich

Property management

- Wincasa AG, Winterthur

Delegation of specific tasks

The fund management company has delegated specific tasks in the following areas to SPS Management AG, Zug a group company of Swiss Prime Site AG, Zug:

- Accounting
- Real estate controlling
- IT and infrastructure
- Human Ressources
- Internal audit

Activity report by the fund management

Swiss Prime Site Solutions Investment Fund Commercial (“SPSS IFC”) enjoyed further success in the first half of 2022/2023: a high cash flow return of 2.63% in just six months, a 278% leap in net income to CHF 6.3 million (first half of 2022/2023: CHF 1.7 million) and portfolio growth of about CHF 91 million to CHF 438 million since the end of the last financial year.

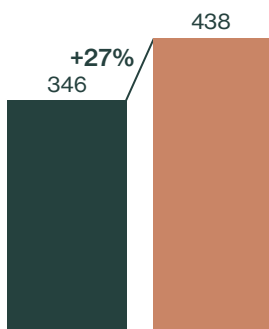
General

- SPSS IFC closed the first half of 2022/2023 with a cumulative return on investment of 2.71% after six months.
- The return on investment of 2.71% for the first half of 2022/2023 comprised a cash flow return of 2.63% and capital growth of 0.08%. This meant that it was already 75% of the way towards achieving the annual target of 3.5–4.0% after just six months.
- The issue brought in equity of about CHF 23 million (including a contribution in kind) during the reporting period. The issue proceeds were used in full to purchase further properties.

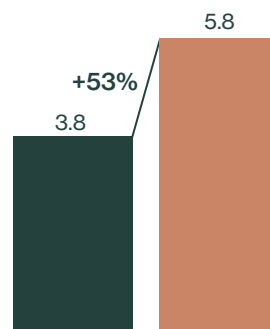
Portfolio management

- **Portfolio growth:** In the first half of 2022/2023, the portfolio grew by about CHF 91 million to CHF 438 million through acquisitions. This corresponds to growth of about 27% over the course of the reporting period.
- **Lease term (WAULT):** The WAULT was increased to 5.8 years (year end 2021/2022: 3.8 years). This is the highest it has been since the fund was launched.
- **Rent default:** The losses from rent defaults remained very low in the first half 2022/2023 at 3.7% (year end 2021/2022: 3.6%).
- **Valuation:** The valuation trended sideways in the first half of 2022/2023, with a revaluation gain of 0.08%.
- **Green leases:** Leases with a mutual agreement on sustainability matters, known as green leases, have been concluded for approximately 19% of the target rental portfolio.

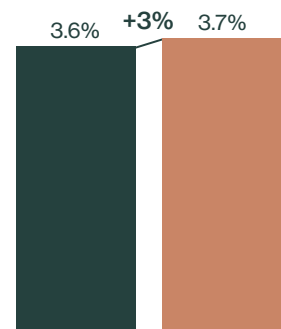
Portfolio growth (in MCHF)



WAULT (in years)



Rent default rate (as % of target rental income)



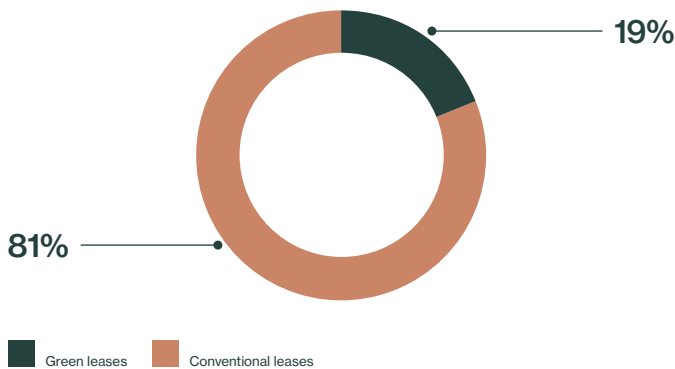
■ Year-end 21/22 ■ First half-year 22/23

Sustainability strategy

- **GRESB:** Measures are in place to make a first GRESB submission for 2023 (GRESB grace period). The aim is to implement a successful first submission by mid-2023. A full GRESB rating is the target for 2024, which is the earliest possible implementation date.
- **CO₂ reduction path and sustainable investment planning:** External sustainability experts have drawn up a 10-year investment plan, including a CO₂ reduction path, and these have been systematically incorporated into portfolio and asset management.
- **UN PRI signatory:** Swiss Prime Site Solutions signed up to the UN Principles for Responsible Investment (UN PRI) on behalf of SPSS IFC in November 2022. This underscores Swiss Prime Site Solutions' commitment to the inclusion of ESG (environmental, social and governance) considerations in investment decisions.

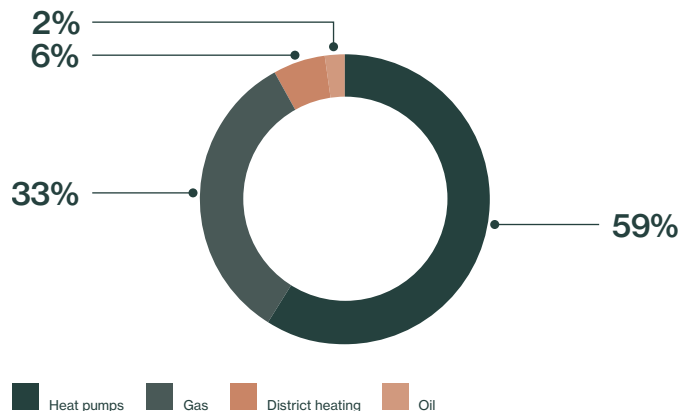
Green leases

(as % of target rental income)



Energy mix

(as % of energy reference area)



Acquisition & sales

- **Acquisitions:** Two attractive office and R&D properties in Stabio were acquired during the first half of 2022/2023. The properties are let under long-term triple-net green leases with annual target rental income of CHF 3.75 million.

Outlook

SPSS IFC is continuing to perform well in a challenging market environment. About 91% of rental agreements are inflation-indexed, making the portfolio highly resilient in the face of inflation concerns. The properties' fundamental net yields, which average 4.13%, sustainably support the SPSS IFC's high cash flow return and will remain the focus of the fund management. A selective approach is taken to portfolio expansion by means of acquisitions. Properties must have a risk/reward profile that is appropriate for the portfolio, with a focus on attractive, long-term cash generation.



Essential key figures

18

Properties owned

2

Purchases first half 2022/2023

437.9 million CHF

Fair value

22.4 Mio. CHF

[TARGET] rental income annualised

24.3 million CHF

Average property volume

106 752 m²

Rental space

5.81 years

WAULT

33%

Share of office space

22%

Proportion of properties with PV systems

19%

"Green leases" as a proportion of target rental income

4.13%

Average weighted net yield

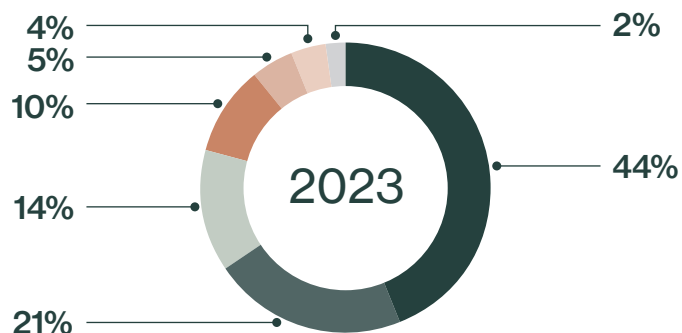
0%

Staff turnover in the fund team

Portfolio structure

Portfolio split by region (based on target rental income)

	31.03.2023	31.03.2022
■ Southern Switzerland	44%	9%
■ Zurich	21%	39%
■ Central Switzerland	14%	17%
■ Eastern Switzerland	10%	15%
■ Northwestern Switzerland	5%	8%
■ Berne	4%	8%
■ Western Switzerland	2%	4%



Portfolio split by type of use (based on fair value)

	31.03.2023	31.03.2022
■ Retail	52%	47%
■ Office	33%	34%
■ Commercial	5%	5%
■ Logistics & storage	5%	8%
■ Parking	4%	4%
■ Other	1%	2%

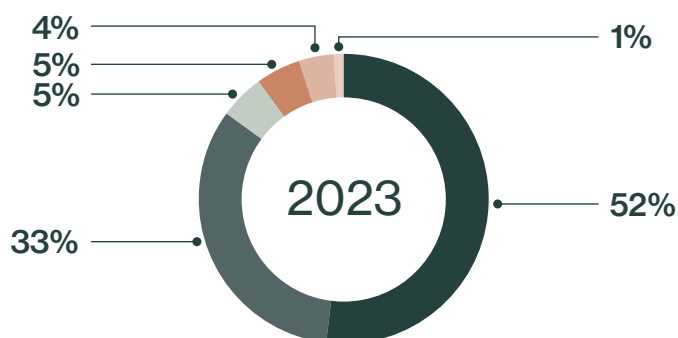




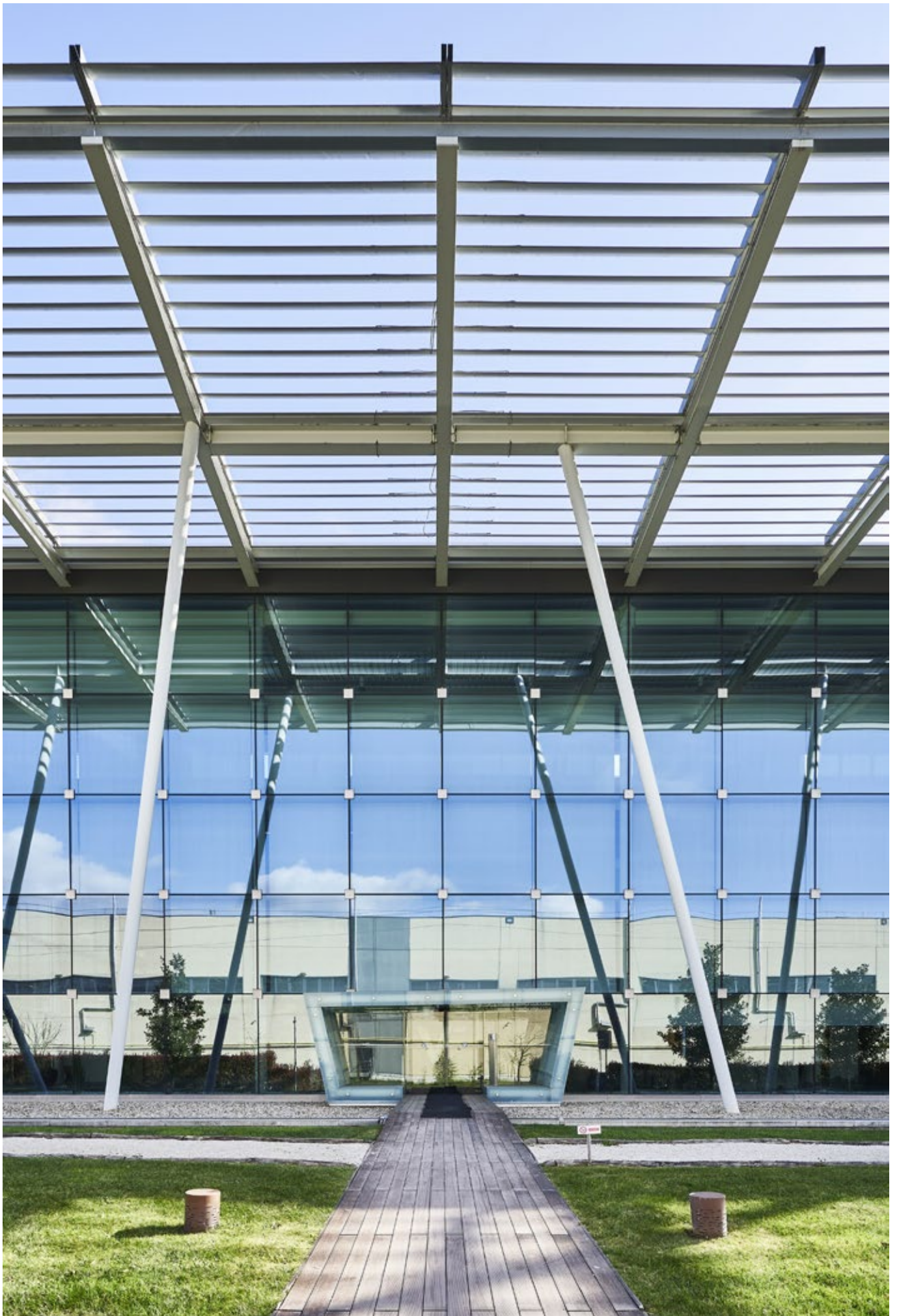
Photo: Centro Lugano Sud, Via Cantonale, 6916 Grancia

Balance sheet

in CHF	31.03.2023	31.03.2022
Actives		
Cash, post office and bank balances payable at sight, including fiduciary deposits with third-party banks	2 212 538	755 616
Sites		
– Residential buildings	0	0
– Commercial properties	437 891 000	230 726 000
– Mixed-use buildings	0	0
– Building land including properties for demolition and buildings under construction	0	0
Total sites	437 891 000	230 726 000
Other assets	7 816 806	5 246 312
Total fund assets	447 920 344	236 727 928
Liabilities		
Current liabilities		
– Current interest-bearing mortgages and other liabilities secured by mortgages	194 200 000	86 000 000
– Current interest-bearing loans and credits	0	0
– Other current liabilities	4 952 955	1 369 034
Total current liabilities	199 152 955	87 369 034
Non-current liabilities		
– Non-current interest-bearing mortgages and other liabilities secured by mortgages	0	0
Total non-current liabilities	0	0
Total liabilities	199 152 955	87 369 034
Net fund assets before estimated liquidation taxes	248 767 388	149 358 894
Estimated liquidation taxes	2 715 976	556 242
Net fund assets	246 051 412	148 802 652
Number of units in circulation		
Units in circulation at the start of the reporting period	2 119 576	0
Units issued	223 179	1 441 705
Units redeemed	0	0
Units in circulation at the end of the reporting period	2 342 755	1 441 705
Net asset value per unit	105.03	103.21
Change in net fund assets		
Net fund assets at the start of the reporting period	224 155 040	0
Distributions	–7 418 516	0
Balance from unit transactions excluding purchase of current income on issue of units and payment of current income on redemption of units	22 820 053	144 170 500
Total result	6 494 835	4 632 152
Balance of allocations to/releases of provisions for repairs	0	0
Net fund assets at the end of the reporting period	246 051 412	148 802 652
Previous years' figures		
30.09.2022	224 155 040	105.75
31.03.2022	148 802 652	103.21

Income statement

in CHF	01.10.2022– 31.03.2023	17.12.2021– 31.03.2022
Income		
Negative interest	0	-12 887
Rental income	9 815 006	2 446 639
Other income	0	0
Purchase of current net income on issue of units	230 443	0
Total income	10 045 449	2 433 751
Expenses		
Mortgage interest and interest on liabilities secured by mortgages	734 791	0
Other interest payable	1 151	0
Maintenance and repairs	361 527	129 307
Property management		
– Property expenses	830 666	101 268
– Administrative expenses	0	9 580
Taxes and duties		
– Property taxes	172 228	27 940
– Profit and capital taxes	250 399	95 978
– Duties	0	0
Valuation and audit expenses	69 829	72 579
Depreciation of properties	0	0
Provisions for future repairs	0	0
– Allocations	0	0
– Releases	0	0
Mandated remuneration of		
– the fund management company	929 968	199 525
– the custodian bank	34 272	12 500
– the real estate managers	319 492	77 567
Other expenses	40 733	41 114
Payment of current net income on redemption of units	0	0
Total expenses	3 745 056	767 357
Net income	6 300 393	1 666 394
Realised capital gains and losses	0	0
Realised result	6 300 393	1 666 394
Unrealised capital gains and losses	907 000	3 522 000
Change in liquidation taxes	-712 558	-556 242
Total result	6 494 835	4 632 152



Notes

in CHF	31.03.2023	31.03.2022
Balance on depreciation account for properties	0	0
Balance on provision account for future repairs	0	0
Balance on the account for the reinvestment of retained earnings	0	0
Number of units on which notice given by the end of the next financial year	none	none

Key data	31.03.2023	31.03.2022
Rent default rate	3.74%	2.78%
Loan-to-value ratio (as % of fair value) ¹	44.35%	37.27%
Cash yield	n.a.	n.a.
Payout ratio	n.a.	n.a.
EBIT margin	71.89%	72.03%
Total expense ratio GAV (TER _{REF} GAV)	0.72% ²	0.68% ³
Total expense ratio market value (TER _{REF} MV)	1.17% ²	0.95% ³
Return on equity (ROE)	2.63% ⁴	3.21% ⁵
Return on invested capital (ROIC)	1.77% ⁴	2.23% ⁵
Premium	-4.79%	1.25%
Performance ⁶	4.03% ⁴	3.50% ⁵
Return on investment	2.71% ⁴	3.21% ⁵

1) FINMA approval for an exemption to the maximum encumbrance limits in the first two years after the launch

2) Calculation for the last 12 months (01.04.2022–31.03.2023)

3) Annualised figures

4) Calculation for 6 months (01.10.2022–31.03.2023)

5) Calculation since the launch (17.12.2021–31.03.2022)

6) Performance (calculated based on bid prices)

Information on derivatives

None

Principles for the valuation of fund assets and the calculation of net asset value

The net asset value of a unit is the fair value of the fund assets, less any liabilities of the investment fund and any taxes likely to fall due if the fund assets are liquidated, divided by the number of units outstanding.

In accordance with Art. 88 para. 2 CISA, Art. 92 and 93 CISO and the Asset Management Association Switzerland (AMAS) Guidelines for real estate funds, the fund's properties are regularly valued by an independent valuation expert accredited by the supervisory authority, using a dynamic capitalised earnings method. The valuation represents a price that would probably be obtained in a prudent sale at the time of the valuation. Buildings under construction and construction projects are also valued at fair value. When properties are bought or sold for the fund and at the end of each financial year, the fair value of the properties held by the fund must be checked by the valuation expert. The fair value of the individual properties represents a price that would probably be obtained under normal conditions, assuming a prudent buyer and seller. In certain cases, opportunities may arise that could be seized in the best interest of the funds, particularly to buy or sell properties for the fund. This may lead to discrepancies compared with the valuations.

The average real discount rate, weighted by fair value, of all properties valued as at 31 March 2023 is 3.40%; the lowest is 2.45% and the highest is 4.80%.

Further information on the fair values can be found in the valuation report of the independent real estate valuer.

Property details

(All values in CHF)

Town/city, address	Built	Form of ownership	Actual costs	Fair value	Target rental income ¹	Rental defaults ¹	Gross income ¹ (net rental income)	Gross yield (based on fair value)
Commercial properties								
Amriswil , Weinfelderstrasse 74	2004	Sole ownership (100%)	7 380 000	7 222 000	228 867	5 319 2.3%	223 549	6.3%
Bedano , Via d'Argine 3	2002/2010	Sole ownership (100%)	20 847 000	20 737 000	519 369	– 0.0%	519 369	5.0%
Burgdorf , Emmentalstrasse 14	1972	Sole ownership (100%)	8 007 000	7 647 000	203 455	16 733 8.2%	186 723	5.3%
Cham , Dorfplatz 2	1992	Sole ownership (100%)	6 310 000	6 353 000	125 397	7 005 5.6%	118 392	3.9%
Dietikon , Kirchstrasse 20	1987	Sole ownership (100%)	14 632 000	15 238 000	301 740	845 0.3%	300 895	4.0%
Grancia , Via Cantonale	1991/2004	Sole ownership (100%)	80 146 000	81 199 000	3 352 047	238 288 7.1%	3 113 759	8.3%
Lucerne , Luzernerstrasse 86, 88	1986	Co-ownership (99%)	22 191 000	21 806 000	508 354	–680 –0.1%	509 034	4.7%
Neuchâtel , Avenue J.-J. Rousseau 7	1929	Sole ownership (100%)	8 074 000	8 178 000	244 856	2 265 0.9%	242 591	6.0%
Oberbüren , Buchental 4	1990	Sole ownership (100%)	28 383 000	28 349 000	761 476	– 0.0%	761 476	5.4%
Schwyz , Oberer Steisteg 18, 20	1988	Sole ownership (100%)	9 497 000	9 533 000	275 503	3 210 1.2%	272 293	5.8%
Solothurn , Hauptgasse 59	1963	Sole ownership (100%)	19 087 000	20 017 000	375 819	– 0.0%	375 819	3.8%
St. Gallen , Rorschacher Strasse 63	1960	Sole ownership (100%)	8 944 000	9 130 000	174 967	– 0.0%	174 967	3.8%
Stabio , Via Laveggio 5	2010	Sole ownership (100%)	80 259 000	80 716 000	831 825	– 0.0%	831 825	4.1%
Stabio , Via Laveggio 6	2008/2019	Sole ownership (100%)	10 245 000	10 302 000	105 657	– 0.0%	105 657	4.1%
Steinhausen , Chollerstrasse 21, 23	1990	Sole ownership (100%)	24 825 000	25 089 000	535 893	105 455 19.7%	430 438	4.3%
Thun , Bälliz 7	1900	Sole ownership (100%)	11 283 000	11 264 000	231 966	– 0.0%	231 966	4.1%
Winterthur , Marktgasse 3	1969	Sole ownership (100%)	19 569 000	20 985 000	305 117	– 0.0%	305 117	2.9%
Winterthur , Rudolf Diesel Strasse 20	2019	Sole ownership (100%)	51 695 000	54 126 000	1 113 836	7 000 0.6%	1 106 836	4.1%
Overall total			431 374 000	437 891 000	10 196 145	385 439 3.8%	9 810 706²	5.1%

1) Not annualised

2) Gross income (excluding release of general allowances in the amount of CHF 4 300)

Information on actual remuneration rates where the fund regulations lay down maximum rates	31.03.2023	
	Actual	Maximum
a) Remuneration of the fund management company		
Annual commission for the management of the real estate fund, management of its assets and distribution of the real estate fund, based on the total fund assets	0.47%	1.00%
Commission for work on construction, renovation and modification of buildings, based on construction costs	n.a.	3.00%
Remuneration for work on the purchase and sale of properties, based on the purchase/sale price, where no third party is commissioned for this	1.28%	2.00%
Remuneration for the management of the individual properties during the reporting period based on gross rental income	n.a.	5.00%
Issuing commission to cover the costs associated with the placement of new units, based on the net asset value of the newly issued units ¹	1.30%	2.50%
Redemption commission to cover the costs associated with the redemption of units, based on the total asset value of the redeemed units	n.a.	2.50%
b) Remuneration of the custodian bank		
Commission for the custody of the fund assets, provision of the payment infrastructure for the real estate fund and the other expenses listed in section 4 of the fund contract, based on the total fund assets	0.03%	0.05%
Commission for the payment of annual income to investors	none	none

1) Excluding granted discounts

Total amount of the contractual payment obligations after the balance sheet date for purchases of properties and for construction contracts and investments in properties	31.03.2023
Purchases of properties	0
Construction contracts and investments in properties	0

Non-current liabilities, broken down into those falling due within one to five years and after five years	31.03.2023
1 to 5 years	0
> 5 years	0

Investments	31.03.2023
Investments that are listed on an exchange or another regulated market open to the public: valued at the prices paid on the primary market; in accordance with Art. 84 para. 2 lit. a CISO-FINMA.	0
Investments for which no prices are available pursuant to lit. a above: valued on the basis of parameters that are observable on the market; in accordance with Art. 84 para. 2 lit. b CISO-FINMA.	0
Investments not valued on the basis of parameters that are observable on the market: valued using suitable valuation models and taking account of the current market circumstances; in accordance with Art. 84 para. 2 lit.	437 891 000
Total investments	437 891 000

Mortgages and other liabilities secured by mortgages

Current mortgages and fixed advances (as at 31.03.2023)

Type of loan	Term		Amount in CHF	Interest rate
	from	to		
Fixed advance	14.02.2023	28.04.2023	34 500 000	1.52%
Fixed advance	14.02.2023	28.04.2023	43 200 000	1.50%
Fixed advance	31.03.2023	28.04.2023	18 500 000	1.82%
Fixed advance	16.03.2023	16.05.2023	76 000 000	1.76%
Fixed advance	16.03.2023	16.05.2023	8 000 000	1.71%
Fixed advance	31.03.2023	09.06.2023	14 000 000	1.78%
Total			194 200 000	

Expired mortgages and fixed advances (01.10.2022–31.03.2023)

Type of loan	Term		Amount in CHF	Interest rate
	from	to		
Fixed advance	28.09.2022	31.10.2022	8 950 000	0.86%
Fixed advance	30.09.2022	31.10.2022	9 500 000	0.75%
Fixed advance	30.09.2022	31.10.2022	22 300 000	0.83%
Fixed advance	31.10.2022	30.11.2022	9 500 000	0.77%
Fixed advance	31.10.2022	30.11.2022	30 750 000	0.88%
Fixed advance	31.08.2022	07.12.2022	80 000 000	0.38%
Fixed advance	30.11.2022	16.01.2023	38 500 000	0.91%
Fixed advance	07.12.2022	16.01.2023	80 000 000	1.09%
Fixed advance	14.12.2022	16.01.2023	1 000 000	1.08%
Fixed advance	16.01.2023	16.02.2023	33 000 000	1.34%
Fixed advance	16.01.2023	16.03.2023	85 000 000	1.29%
Fixed advance	16.02.2023	31.03.2023	32 500 000	1.35%

Purchases and sales of properties

List of properties bought and sold during financial year 2022/2023 (as at 31.03.2023)

Purchases	Type of building	Fair value
Stabio , Via Laveggio 5	Commercial property	80 716 000
Stabio , Via Laveggio 6	Commercial property	10 302 000
Total		91 018 000

Sales	Type of building	Fair value
None		

Tenants accounting for more than 5% of rental income

Tenant	Property location	Share of rental income in %
VF International Sagl	Stabio	17.3%
Coop Genossenschaft	Grancia, Lucerne, Oberbüren, Solothurn	13.3%
C&A Mode AG	Grancia, Solothurn, Winterthur (Rudolf Diesel Strasse 20)	5.8%

Transactions with related parties

In application of Art. 63 para. 2 and 4 CISA in conjunction with Art. 32a CISO, FINMA approved an exemption to the prohibition on transactions with related parties in relation to the transfer of a portfolio containing seven properties as part of the launch of a real estate fund. The fund management company confirms that all other transactions with related parties were carried out under market conditions.

Information on matters of particular economic or legal significance

Amendments to the fund contract

There were no material amendments to the fund contract during the reporting period.

Material questions concerning the interpretation of laws and the fund contract

Deviation from the investment policy guidelines as at 31 March 2023:

Investment name	Quantity	Nominal value	Requirement	Reason for investment
Registered shares in Parking AG Solothurn	147	CHF 500	Under the investment guidelines, investments in equities that are not traded on an exchange or another regulated market open to the public are not permitted.	Mandatory purchase based on an order by the City of Solothurn. When acquiring properties in the car-free old town of Solothurn, buyers are required to purchase shares in Parking AG Solothurn. The size of the required holding depends on the number of parking spaces needed for the property in question.

Information on changes of fund management company or custodian bank

Neither the fund management company nor the custodian bank were changed during the reporting period.

Changes to the executive management of the fund management company

No changes were made to the executive management of the fund management company during the reporting period.

Information on legal disputes

There are no material pending legal disputes.

Valuation report



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Swiss Prime Site Solutions AG
SPSS IF Commercial
Alpenstrasse 15
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31 March 2023

Market value of the properties as of 31 March 2023

Background and Mandate

On behalf of Swiss Prime Site Solutions AG, all investment properties of the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial (hereinafter «SPSS IF Commercial») have been valued by the Real Estate Advisory Team of PricewaterhouseCoopers AG for financial reporting purposes as of 31 March 2023.

Valuation Standards and Principles

The valuations comply with the requirements of the Collective Investment Schemes Act (CISA), the Ordinance on Collective Investment Schemes (CISO) as well as the guidelines of the Asset Management Association and are in line with the best practice guidelines of the International Valuation Standards (IVSC), the Swiss Valuation Standard (SVS) and the guidelines of the Royal Institution of Chartered Surveyors (RICS). The concept of best possible use has not been applied.

In accordance with the market value definitions of IVSC, SVS and RICS, market value is defined as follows: "Market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Each property is valued individually and not as part of the portfolio. The property value is determined based on observable market parameters. In accordance with valuation practice in Switzerland, costs and taxes which may be incurred by the owner but are not directly related to the property (financing and disposal costs, value added tax, etc.), are not taken into account.

The valuation is based on current information regarding the properties and the real estate market. Documents and data concerning the properties have been provided by the client. The accuracy of these documents is assumed. The properties are surveyed as part of the valuation process at least every three years and for the purpose of an acquisition or following a renovation.

Assessment Methodology

The property values are determined using the discounted cash flow method (DCF method). For this purpose, the expected annual net cash flows, i.e. the cash flows effectively at the owner's free disposal, are forecasted over an observation period of ten years. The remaining useful life is represented by extrapolating the cash flow of a representative year (exit year). The individual cash flows are discounted to the present value and added up. The sum of the present values corresponds to the market value.

The discount rate applied reflects the market-based, risk-adjusted opportunity costs of the investment in the property and is determined using the build-up-method. The base discount rate refers to the long-term yield forecast for 10-year federal bonds and is supplemented by a premium to reflect the general illiquidity of property investments. Further property specific premiums or discounts for location, use and other property related risks are taken into account on a per property basis. The capitalization rate is adjusted for inflation-related cash flow growth from year eleven. The long-term inflation assumption is 1.00%.



The modelling of the expected net cash flows considers indexation and payments according to the current tenancies. After the expiration of current tenancies, rental income is estimated based on comparable values observable on the market. The operating costs incurred by the owner are recorded based on historical property data and comparable values observable on the market. For maintenance costs incurred by the owner, the remaining useful life and the investment sum of the individual building components are determined based on a condition analysis. On this basis, a periodic renewal and an annual maintenance payment are derived, which are compared to market benchmarks.

Valuation Result

As of the valuation date, a total of 18 properties are in the SPSS IF Commercial portfolio. Two properties were acquired during the reporting period from 01 October 2022 to 31 March 2023. No properties were sold during the same period. No properties were revisited as part of the current valuation.

For the properties valued by PwC, the average real discount rate weighted by market values is 3.40% as of 31 March 2023. The average capitalisation rate weighted by market values is also 3.40% as of 31 March 2023.

Based on the above, the market value of the SPSS IF Commercial portfolio as of 31 March 2023 is valued at CHF 437'891'000 by the Real Estate Advisory Team of PricewaterhouseCoopers AG.

Portfolio	Number of properties	Market value (CHF)	Weighted discount rate (real)	Weighted capitalisation rate (real)
SPSS IF Commercial	18	437'891'000	3.40%	3.40%

Independence

In accordance with the corporate policy of PricewaterhouseCoopers AG, the real estate portfolio has been valued independently and impartially. The valuation shall serve the purpose stated above. No liability is assumed towards third parties.

PricewaterhouseCoopers AG
Real Estate Advisory

Dr. Marc Schmidli, CFA
Partner

Laura Blaufuss MRICS
Senior Manager

About Swiss Prime Site Solutions

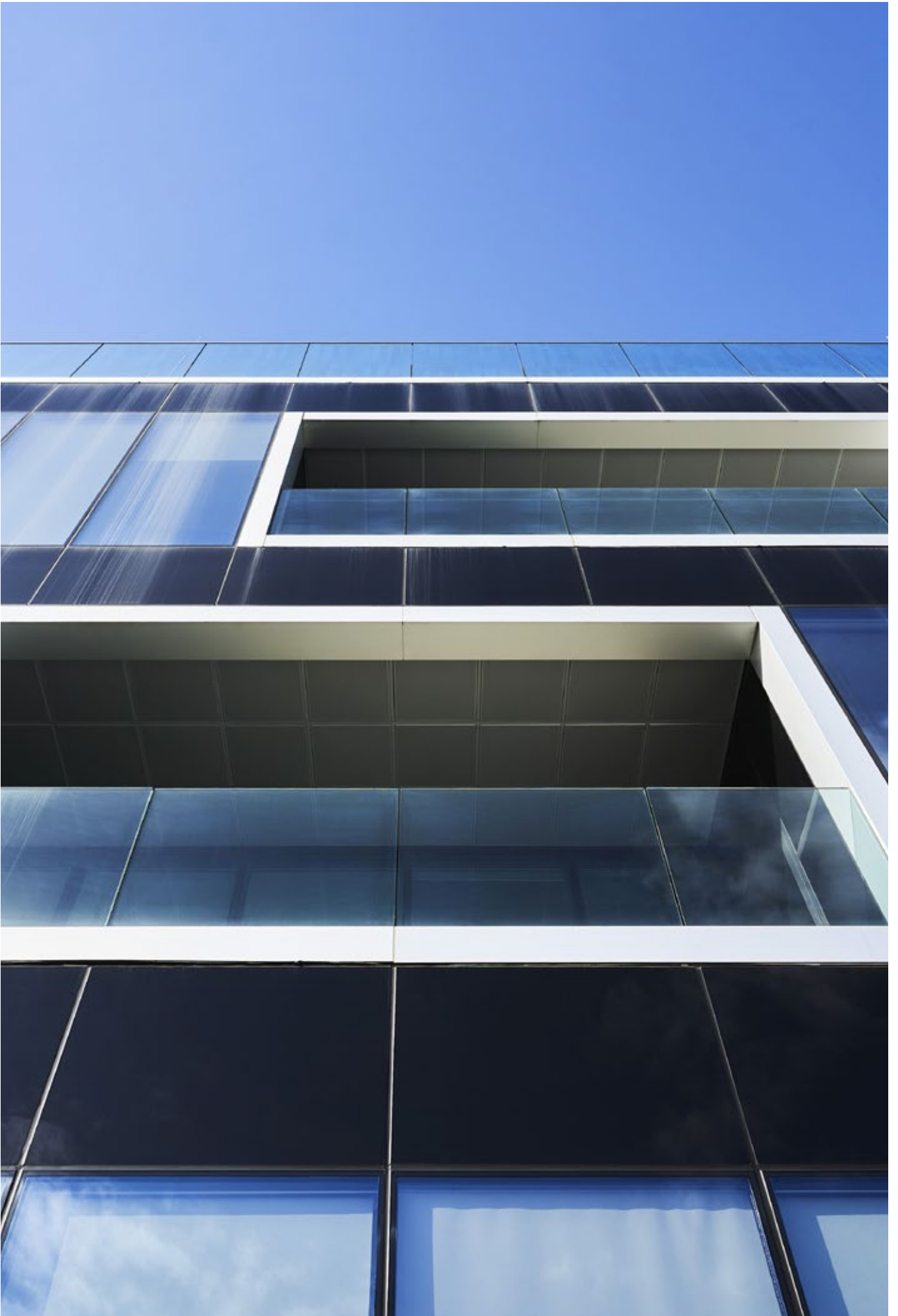
Swiss Prime Site Solutions develops tailored services and investment products for clients in the real estate sector. We have CHF 7.9 billion in assets under management and a development pipeline of CHF 1.1 billion. As an asset manager, our objective is to earn solid and attractive returns at low risk, whatever the investment environment. Swiss Prime Site Solutions is a group company of Swiss Prime Site and has been approved as a fund manager by FINMA.

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