



Swiss Prime Site
Solutions REAL ESTATE
ASSET MANAGERS

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SPSS Investment Fund Commercial (SPSS IFC)

**Presentation annual results 2022/2023
Outlook & Guidance 2023/2024**

30 November 2023



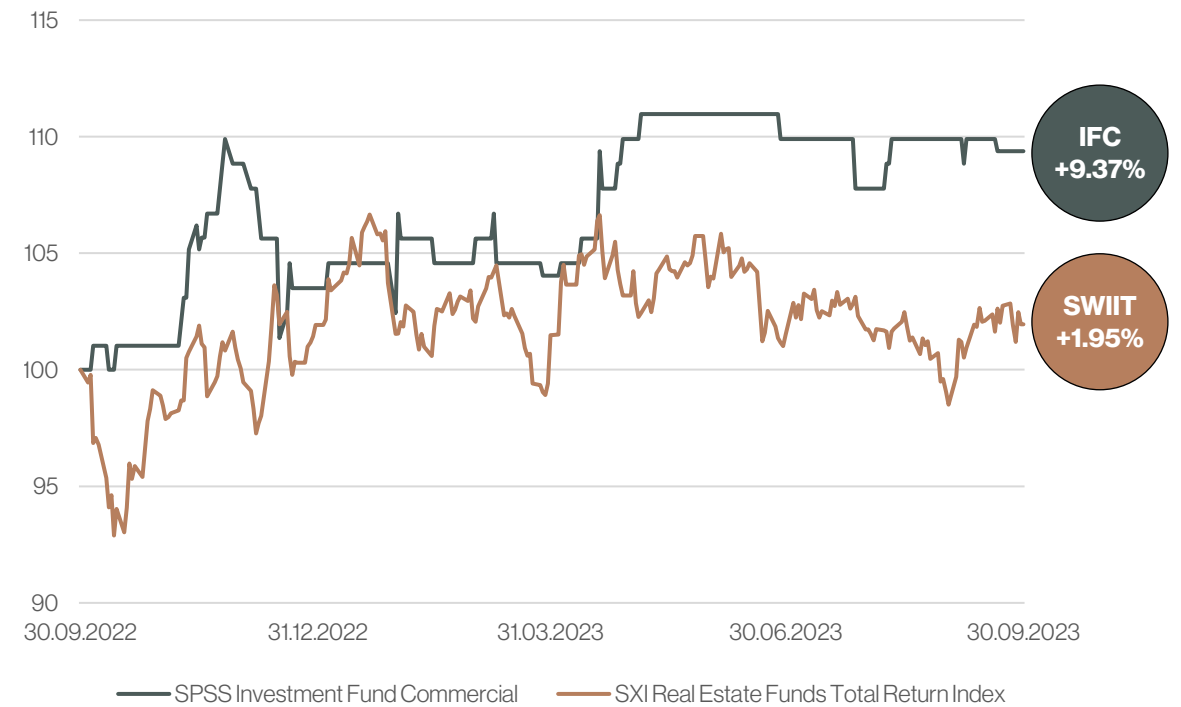
Investment profile SPSS IFC

INVESTING SUCCESSFULLY WITH SPSS INVESTMENT FUND COMMERCIAL

INVESTMENT PROFILE: SPSS IFC

	Investment focus	100% commercial
	Investment profile	Core+
	Investment strategy	Anticyclical «buy & manage»
	Target cash flow yield	~4% p.a.
	Diversification	Diversified Switzerland-wide
	Tradability	OTC
	Financial year	01.10. to 30.09.

PRICE PERFORMANCE SPSS IFC VS SWIIT





Executive Summary

Swiss Prime Site Solutions Investment Fund Commercial





Executive Summary

SWISS PRIME SITE SOLUTIONS INVESTMENT FUND COMMERCIAL (SPSS IFC)

Annual result 2022/2023

KEY FINANCIAL FIGURES

ANNUAL RESULT 2022/2023 (30.09.2023)



RETURN ON INVESTMENT
(year-end)

1.77%



CASH FLOW (yield) CHANGE IN VALUE (yield)

5.43% **-3.67%**



CASH YIELD
(payout ratio 79%)

4.21%

PORTFOLIO

ANNUAL RESULT 2022/2023 (30.09.2023)



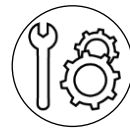
AUM
(in CHF m)

435 (18 properties)



GROSS (yield) NET (yield)

5.15% **4.36%**



INDEXING RATE
(weighted)

~94%

OUTLOOK

SHORT, MEDIUM AND LONG TERM



PIPELINE
(75% off market)

CHF ~75 m



SUSTAINABILITY
(2024)

GRESB rating



DIVIDEND 23/24
(guidance)

stable

WHY SPSS IFC?

- 1 High-yield portfolio** with focus on high target cash flow yield >4% p.a.
- 2 Access to attractive market opportunities** due to strong network
- 3 Anticyclical exploitation** of market opportunities due to extensive asset management expertise
- 4 High stability** due to sustainable dividend policy



Key financial figures

Swiss Prime Site Solutions Investment Fund Commercial



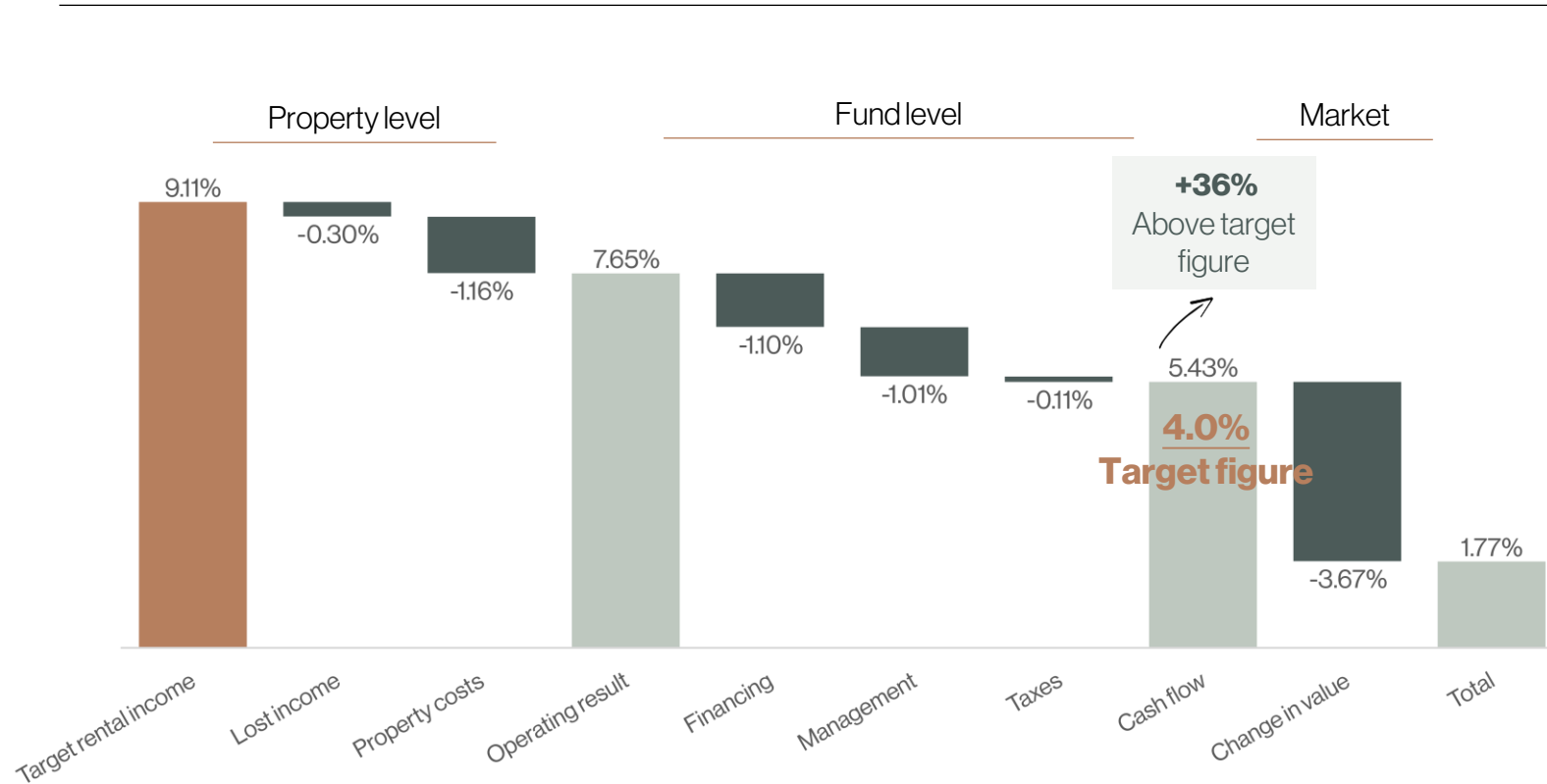
2



Key financial figures for SPSS IFC

YEAR-END AS AT 30.09.2023

BREAKDOWN OF ROI



RESULTS CONTEXT

Fundamental strength of SPSS IFC more than offsets market-related changes

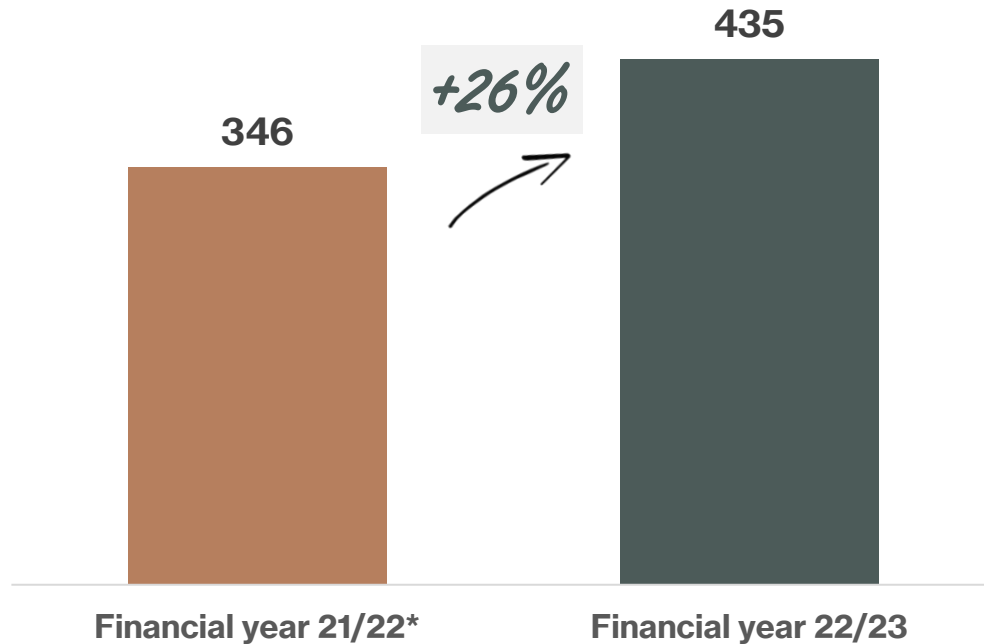
- The achieved **cash flow yield** of **5.43%** is **significantly higher** than the **target figure** of 4.0%
- The **change in value** is as **expected**.
The main **drivers** of the change in value were:
 - **Increase** in **discount rates** by **6 bps** to **3.54%** (L4L)
 - **Greater integration of ESG CAPEX** Measures for defensive property valuation

Note: This is a simplified representation. The figures do not constitute a promise of future investment returns. The last Annual Report is authoritative.

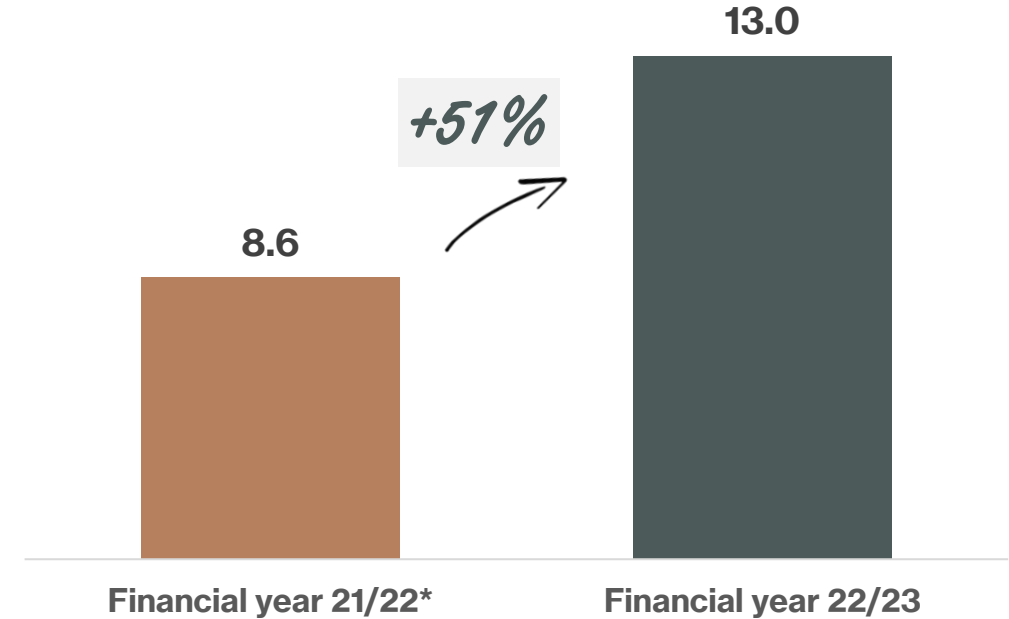


High-quality growth leads to higher net revenue

PORTFOLIO GROWTH
(in CHF m)



NET REVENUE
(in CHF m)



- Strong portfolio growth of 26% in 12 months
- Purchase of two high-quality properties



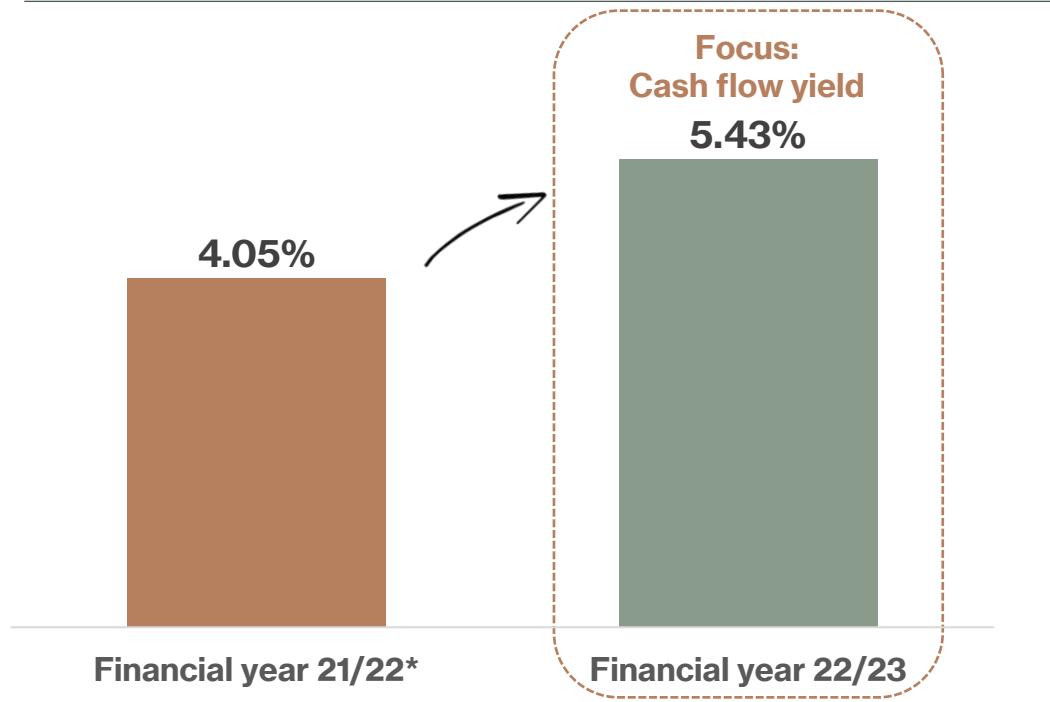
- Significant growth in net revenue
- Strong organic growth in rental income of 2.7% (L4L)

* Shortened financial year 2021/2022: 17.12.2021 – 30.09.2022

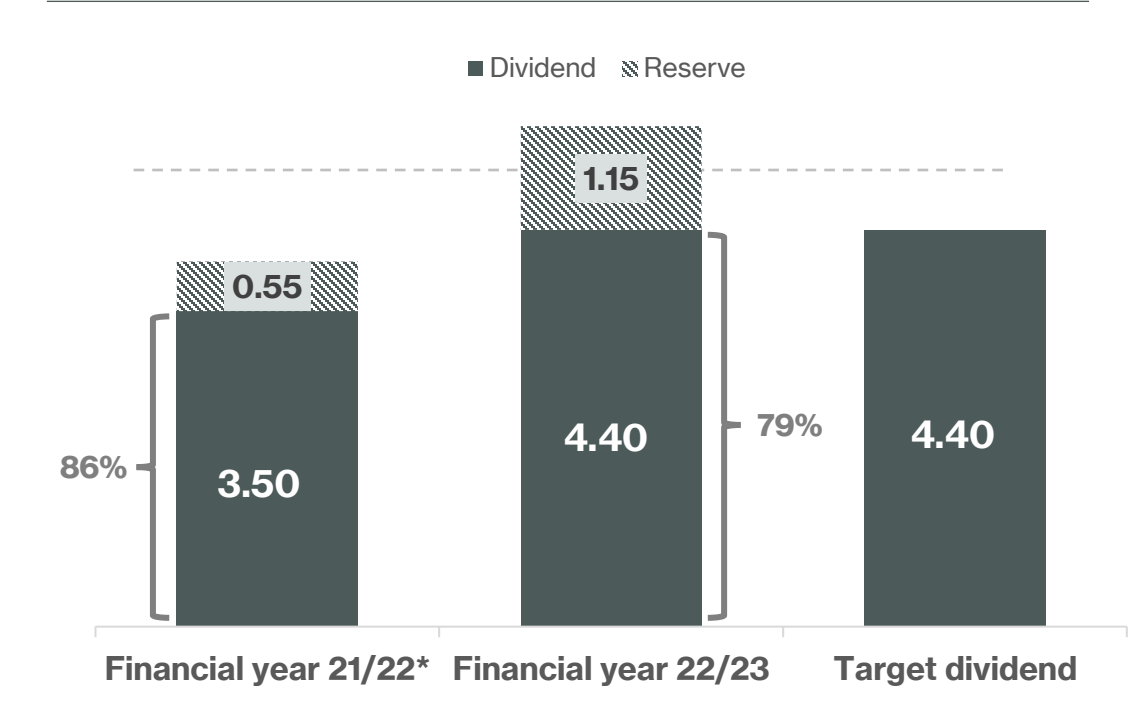


... and leads to an attractive distribution

CASH FLOW YIELD
(balance sheet date 30.09.)



DISTRIBUTION
(distribution per unit in CHF, payout ratio in %)



- High-yield portfolio generates cash flow yield of 5.43%
- Cash flow result above the target range

- Distribution target of CHF 4.40 clearly exceeded
- Alignment of distribution 22/23 through defensive payout ratio of 79%

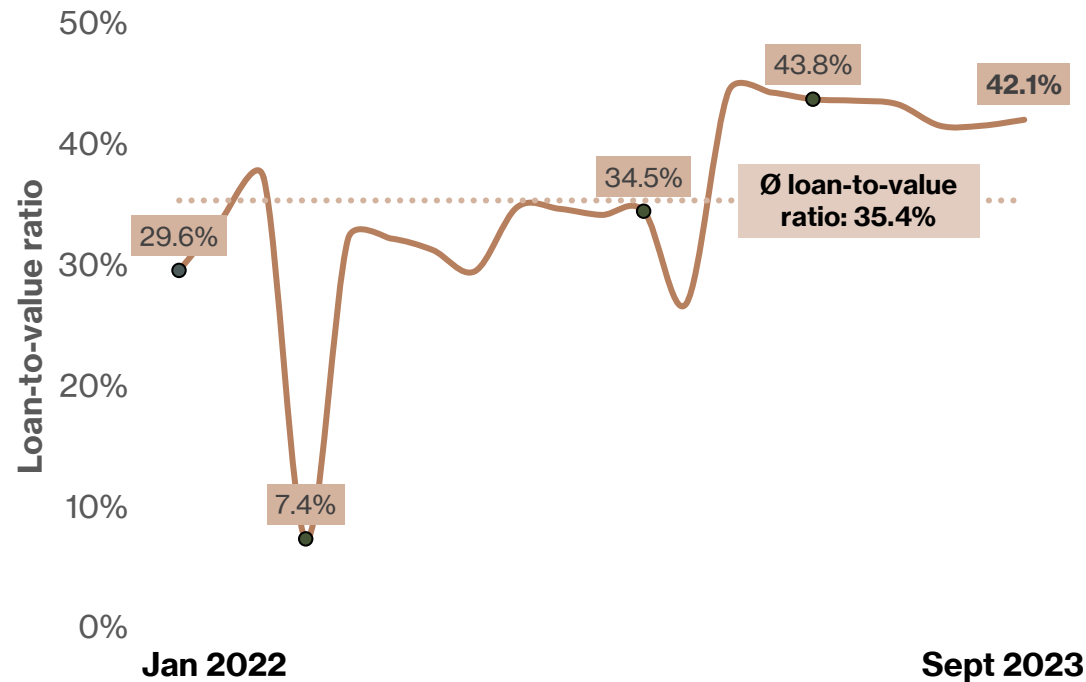
* Shortened financial year 2021/2022: 17.12.2021 – 30.09.2022



External financing

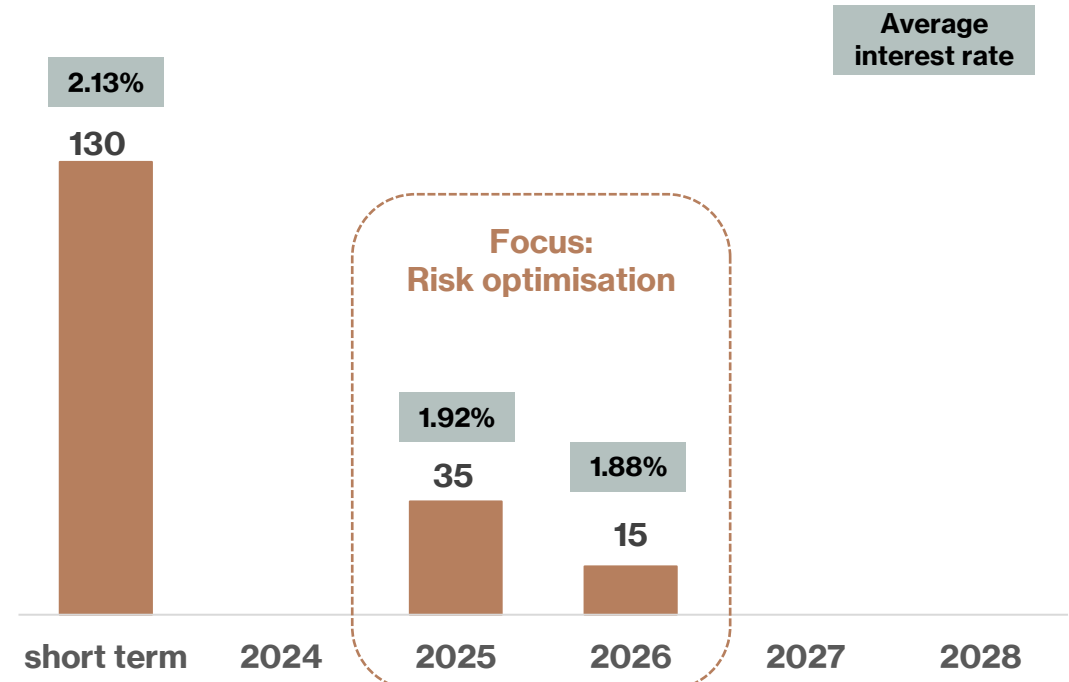
LOAN-TO-VALUE RATIO

(Loan-to-value ratio as % of fair value)



REPAYMENT OVERVIEW

(Borrowed capital in CHF m)



- Use of borrowed capital for portfolio diversification
- Average rate of BC utilisation since launch is 35.4%



- Risk optimisation financing structure (70/30 principle)
- 28% of external financing tied up in the medium term



Portfolio

(as at 30.09.2023)

Swiss Prime Site Solutions Investment Fund Commercial



3



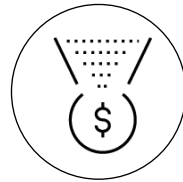
Key data for the portfolio

BALANCE SHEET DATE 30.09.2023



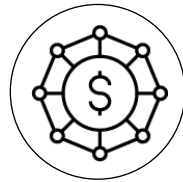
NUMBER OF
PROPERTIES

18



TARGET RENT CHF P.A.

22.4



GROSS YIELD

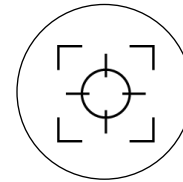
5.15%



TOTAL RENTAL SPACE

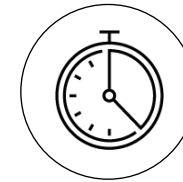
106'789

m²



VACANCY RATE P.A.

2.8%



Ø REMAINING RENTAL
TERM
(WALVT)

5.4

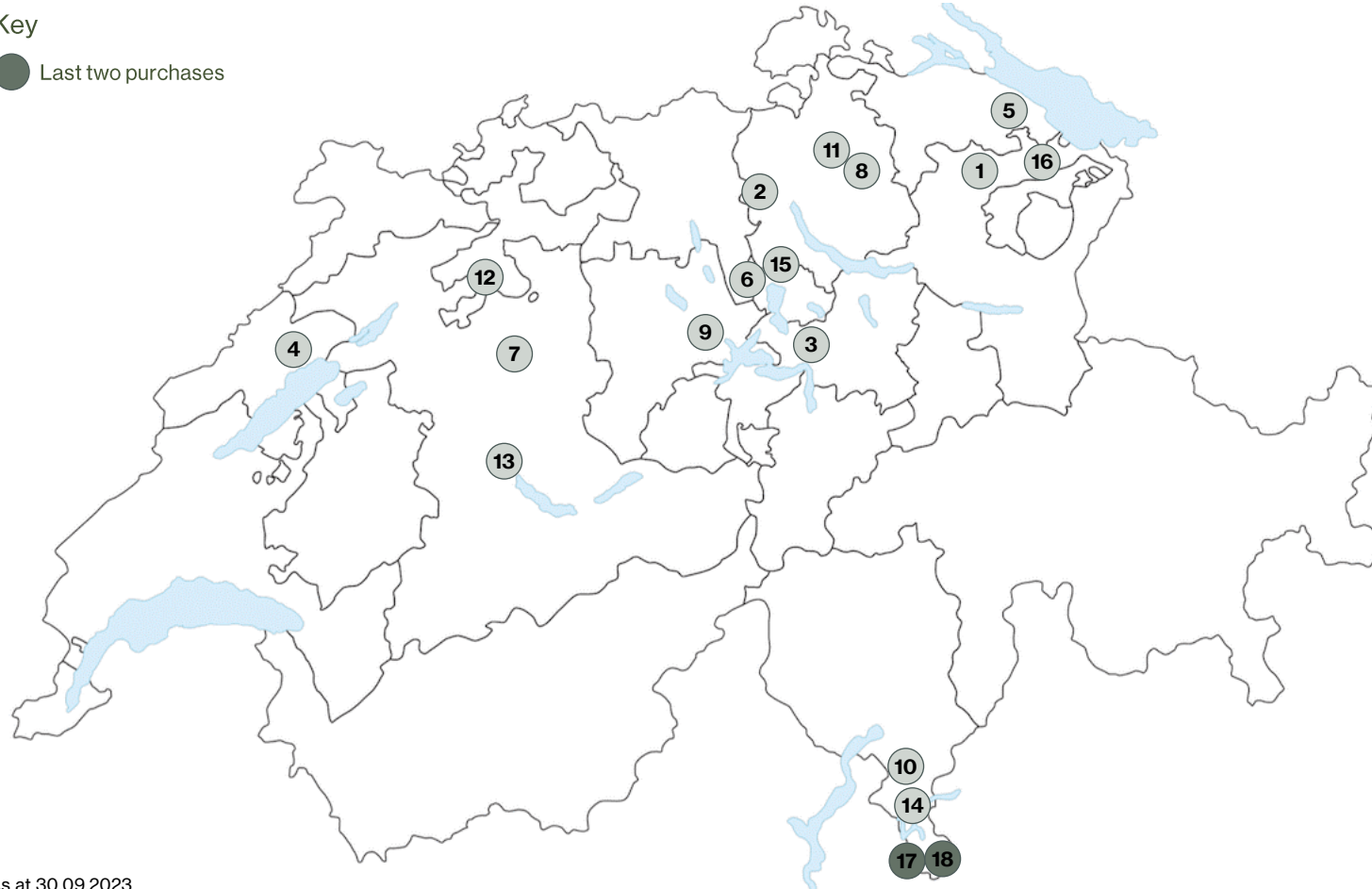
years



Portfolio split by region

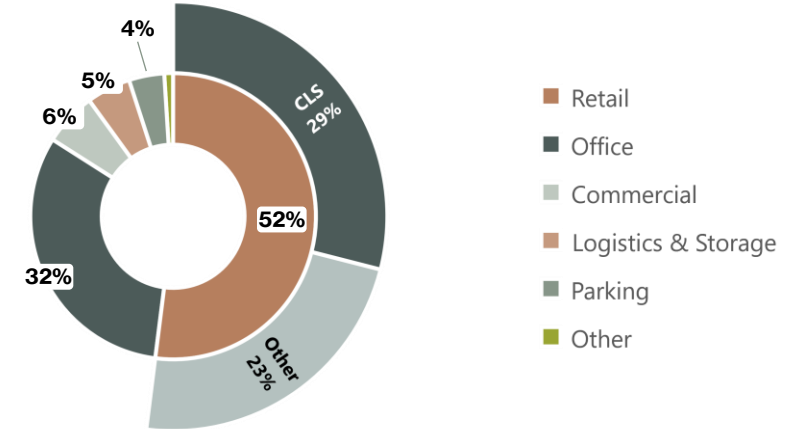
DIVERSIFICATION BY GEOGRAPHY AND TYPE OF USE

Key
 ● Last two purchases

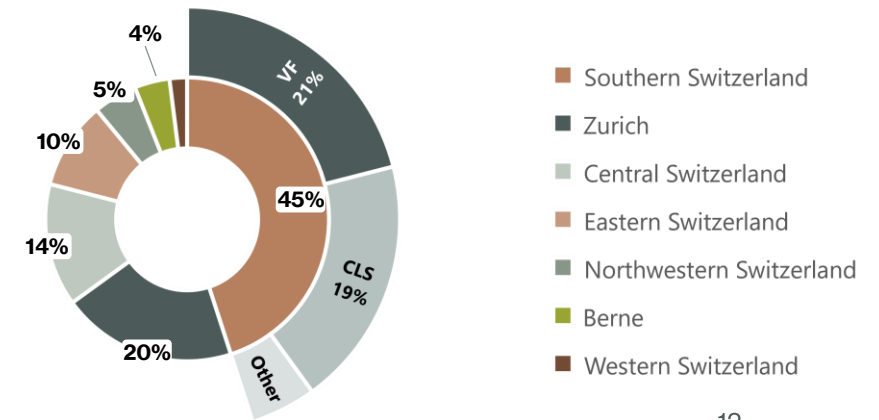


As at 30.09.2023

TYPES OF USE
 (in CHF rental income)



REGIONS
 (in CHF fair value)

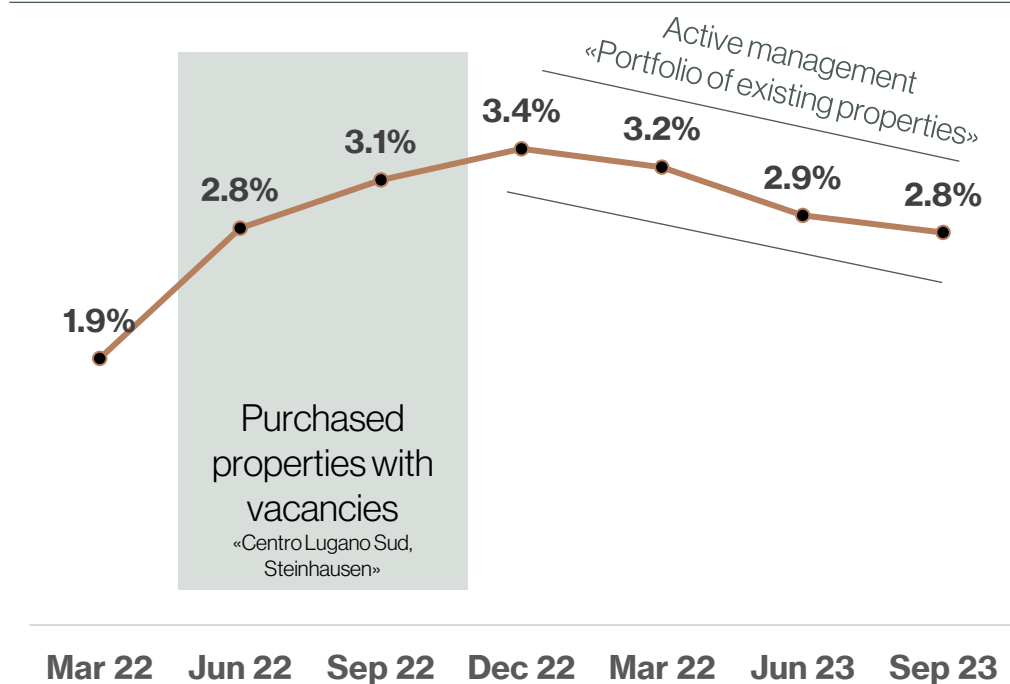




Low vacancy costs & high terms to maturity

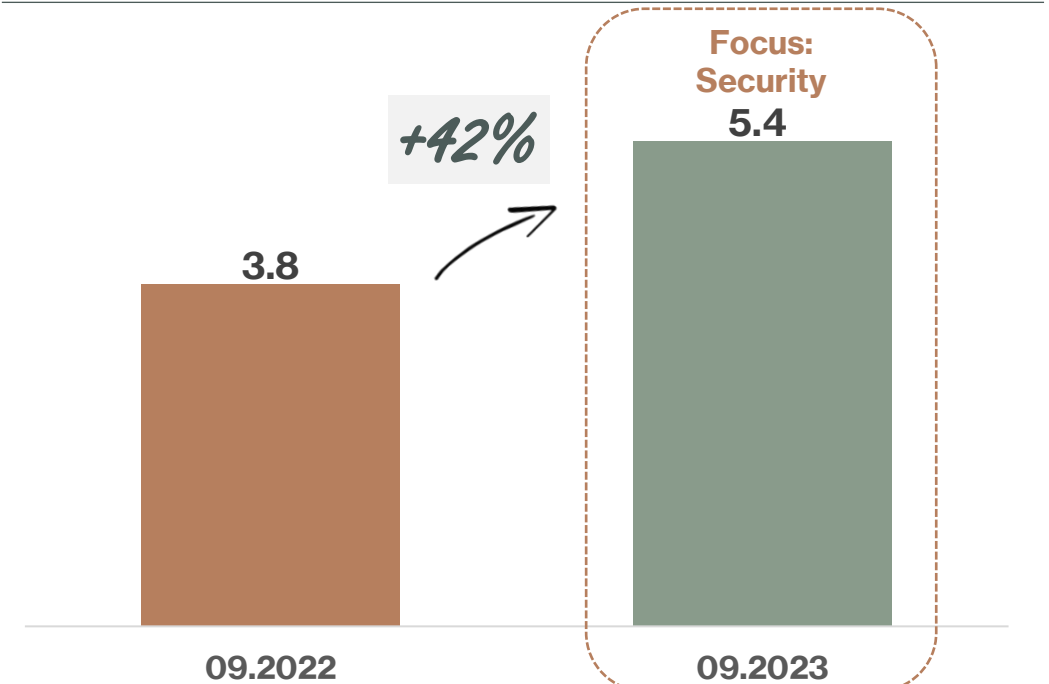
VACANCY COSTS

(as % of target rental income)



WAULT

(in years, weighted average unexpired lease term)



• Active management and continuous reduction of vacancy costs since December 2022



• Highest WAULT since the fund's launch
• Portfolio expansion – WAULT of 5.4 offers security



Sustainability as an integral component

Environmental

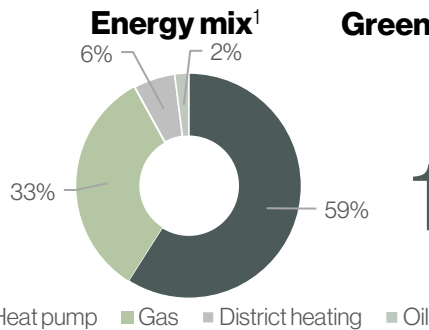
- ✓ Operational optimisations initiated
- ✓ Contract to install automated capture of energy data
- ✓ Creation of a 10-year plan with CO₂ reduction pathway for all properties

Social

- ✓ Tenant survey by external institute successfully completed
- ✓ Regular employee training on ESG issues
- ✓ ESG targets incorporated into employee targets

Governance

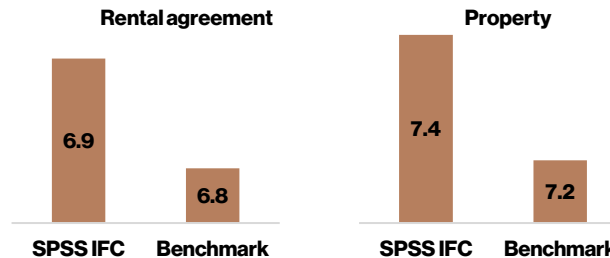
- ✓ Successful participation GRESB grace period
- ✓ REIDA figures generated and published for first time



Green lease proportion²

17%

Tenant satisfaction³



Certificates⁴

38%

GRESB result⁵



1) Energy mix according to energy reference area (ERA)
 2) Rental agreement type according to target rental income p.a.

3) Tenant survey by LINK Institute in 2023. The benchmark refers to the average value of all B2B studies conducted by the LINK Institute since 2019

4) Proportion of certified buildings based on fair value
 5) GRESB result not public due to the grace period



Acquisition activity

Swiss Prime Site Solutions Investment Fund Commercial



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Review: Two purchases 2023

VF CORPORATION RESEARCH & DEVELOPMENT CAMPUS, STABIO

PROPERTIES & LOCATION

- The two properties VF1 & VF2 are in a **strategically excellent location** in Switzerland's «Fashion Valley», close to the fashion capital of Milan and international logistics companies
- The **modern and multifunctional buildings** are characterised by high potential for third-party use and strong sustainability elements such as district heating, photovoltaic systems and electric parking



High potential for third-party use

20 482 m² of office and research space, skeleton frame construction



LEED Platinum

Strong sustainability elements, 100% renewable energy



Switzerland's Fashion Valley

Stability and access to Northern Europe and the fashion capital Milan





Review: Two purchases 2023

VF CORPORATION RESEARCH & DEVELOPMENT CAMPUS, STABIO

TENANT & RENTAL AGREEMENTS

- The main tenant, VF Corporation, is one of the world's largest apparel companies and has a broad product range. The Stabio location serves as the **EMEA headquarters and research campus** and is being expanded to the adjacent plot of land (VF3)
- The **15-year triple-net rental agreement** and the financially strong tenant provides stability and also aligns with our sustainability goals through the **green lease** component



Strong main tenant

S&P 500, S&P Global Rating A-, USD 11.6 billion sales



Anchor of stability

Low operating costs and high WAULT



Congruent strategy

Congruent real estate and sustainability strategy

THE COMPANY BEHIND THE BRANDS YOU LOVE.

Iconic Brand Portfolio

OUTDOOR



ACTIVE



WORK



Our Purpose



At A Glance



\$11.6B
revenue



~35K
associates
around the world



124+ Years
organized 1899



12
brands



100+
countries where
products are sold



~1,265
owned retail stores



360M
units of apparel, footwear
& accessories sourced



Outlook: Continuation of the investment strategy

FOCUS ON COMMERCIAL REAL ESTATE IN ATTRACTIVE LOCATIONS IN SWITZERLAND

~4%

cash yield
(target figure, p.a.)

4.0 - 5.0%

ROI
(target range, p.a.)

20 - 30%

LTV ratio
(target range, p.a.)



Directly held commercial real estate

Commercial real estate in attractive locations in Switzerland



Tenant diversification

High level of tenant diversification with good credit rating and reputation



Increase in value

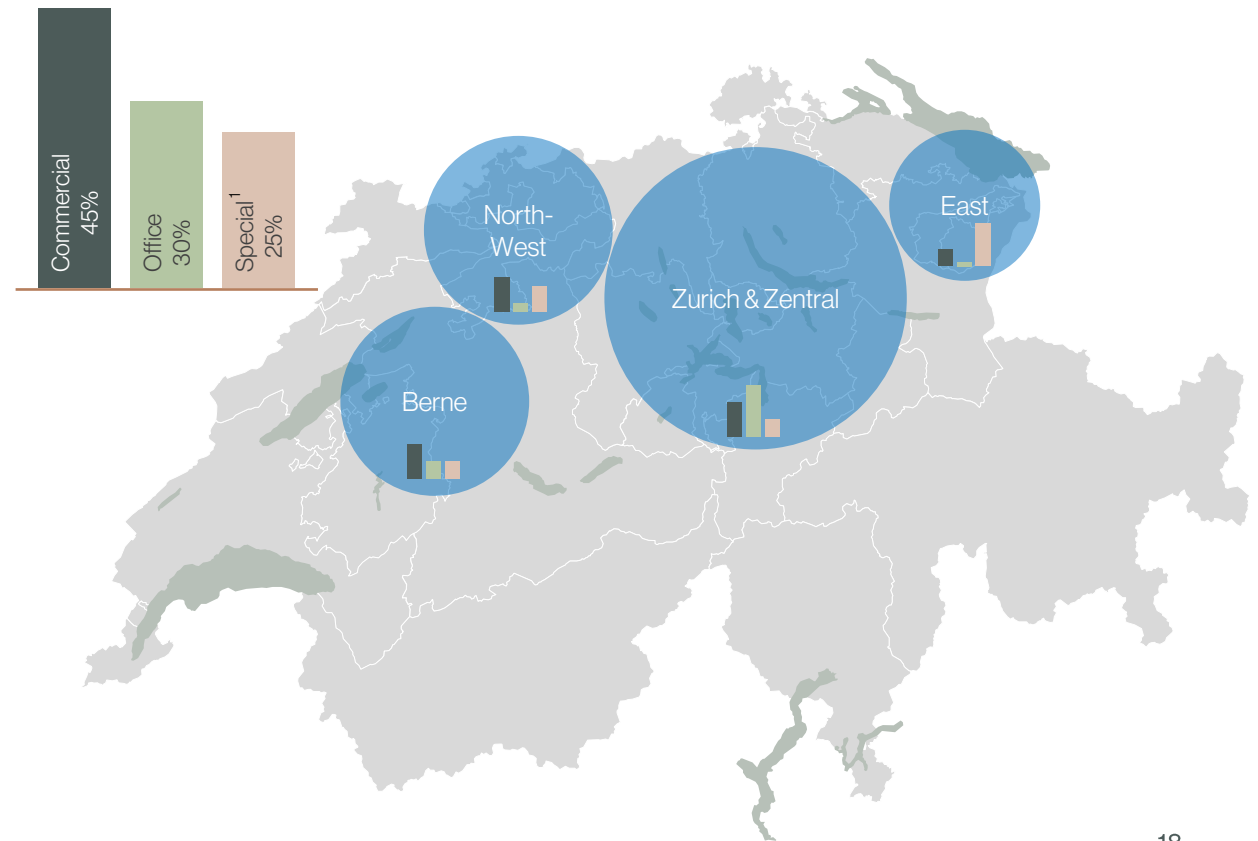
Potential for value growth through active asset management



Cash flows

Stable cash flows with low vacancy rates

CURRENT INVESTMENT FOCUS



1) Publicly used properties, hospitals, schools, logistics, light industrial, etc.

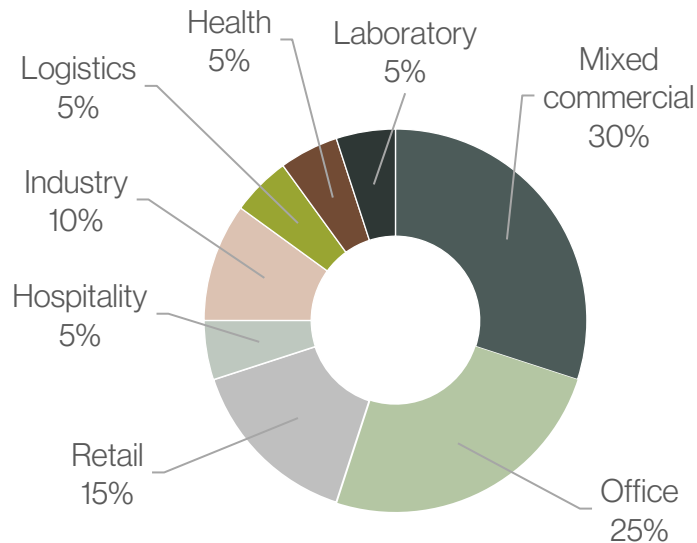


Outlook: Selective acquisition

ACQUISITION OPPORTUNITIES IN LINE WITH THE STRATEGY

ACQUISITION OPPORTUNITIES 2023

(as % by type of use)



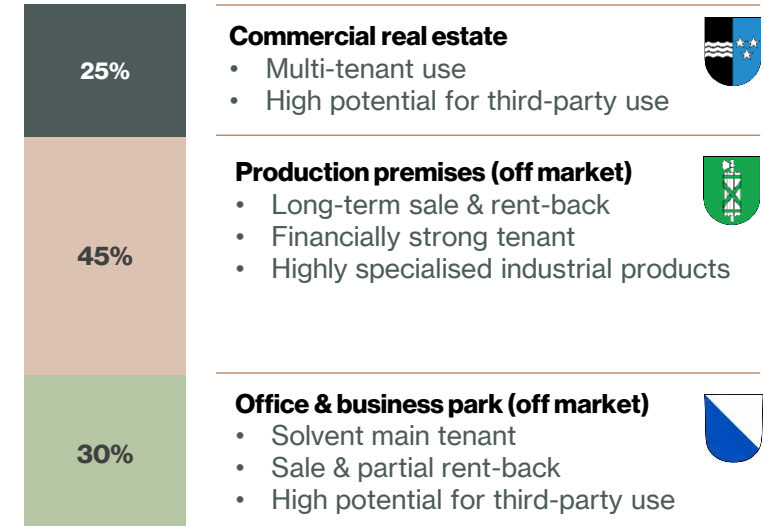
CHF ~800 m
(per month)



CHF ~75 m
(current pipeline)

CURRENT PIPELINE 2024

(75% off market)



Commercial real estate

- Multi-tenant use
- High potential for third-party use



Production premises (off market)

- Long-term sale & rent-back
- Financially strong tenant
- Highly specialised industrial products



Office & business park (off market)

- Solvent main tenant
- Sale & partial rent-back
- High potential for third-party use

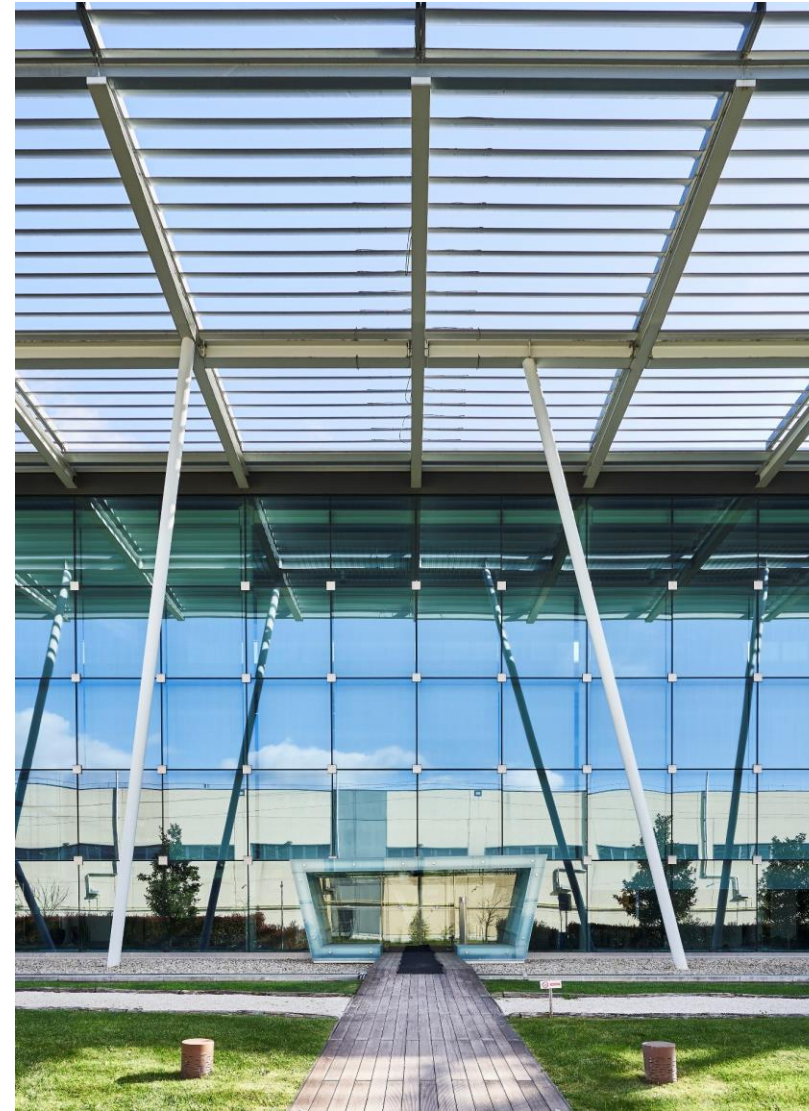


- Selective exploration of acquisition opportunities in line with our overall strategy and dividend strategy
- Active market development and network expansion with a focus on SMEs



Guidance & Key takeaways

Swiss Prime Site Solutions Investment Fund Commercial



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Guidance 2023/2024: Stability & security

**Distribution 2023/2024
stable**

**Sustainability focus
ESG integration**

**Financing
more defensive**


**Vacancy costs
<4%**



Key takeaways

REASONS TO INVEST IN THE SPSS INVESTMENT FUND COMMERCIAL

 **Significantly outperformed SWIT by 7.42% in financial year 22/23**

 **High-yield portfolio:**
Cash flow yield of 5.43% in financial year 22/23

 **Tax-exemption on income and assets**
for investments in private and business assets with tax domicile in Switzerland

 **High inflation protection with indexing rate of 94%**

 **Attractive pipeline with off-market transactions CHF ~75 m**



All current
information about
SPSS Investment
Fund Commercial:





Your contacts



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Appendix

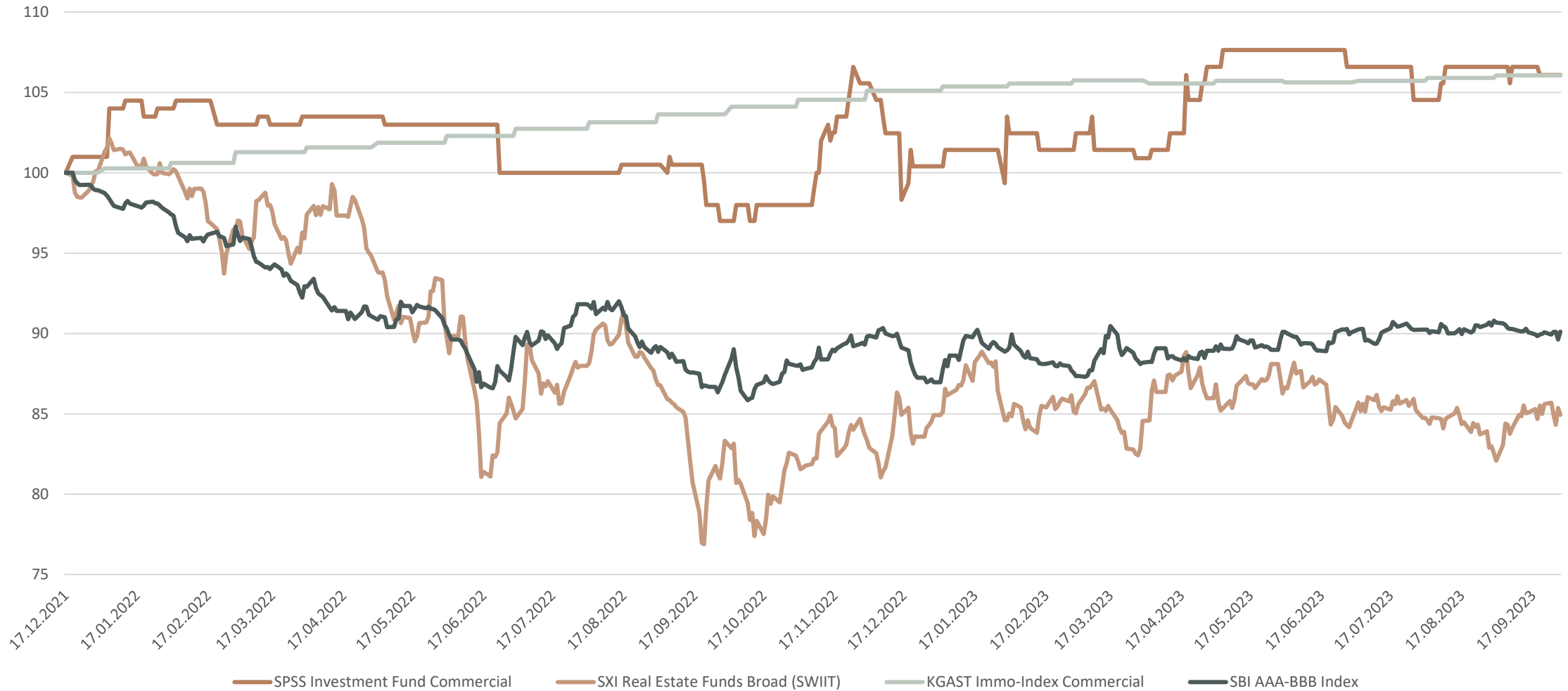
Swiss Prime Site Solutions Investment Fund Commercial



6



Total return since launch (indexed)

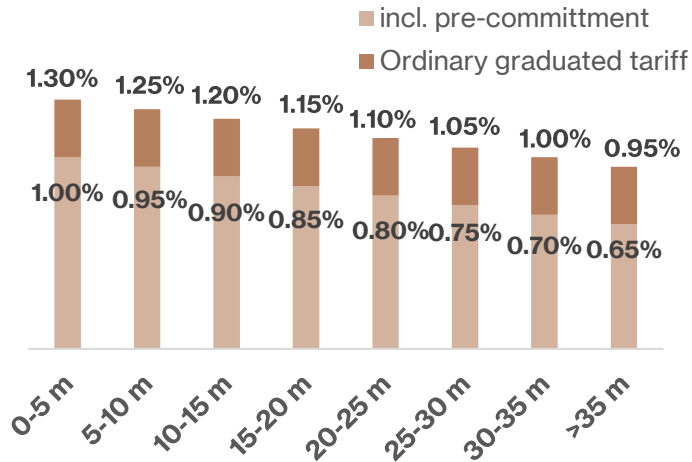


Source: Bloomberg. Data from 17.12.2021 – 30.09.2023



Attractive cost structure

ISSUE COMMISSION¹

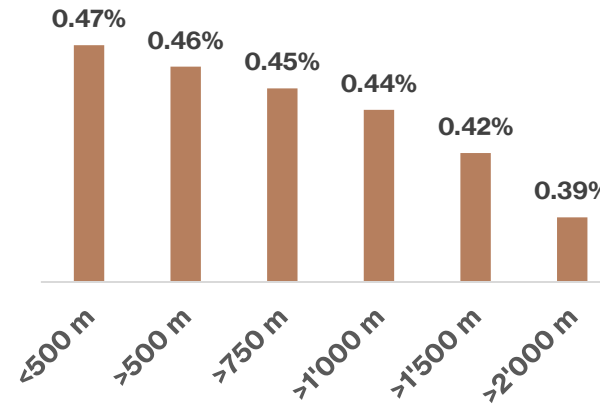


Investor benefit:

Issue commission decreases as subscription volume and pre-commitment increase

MANAGEMENT FEES²

(% of AuM)

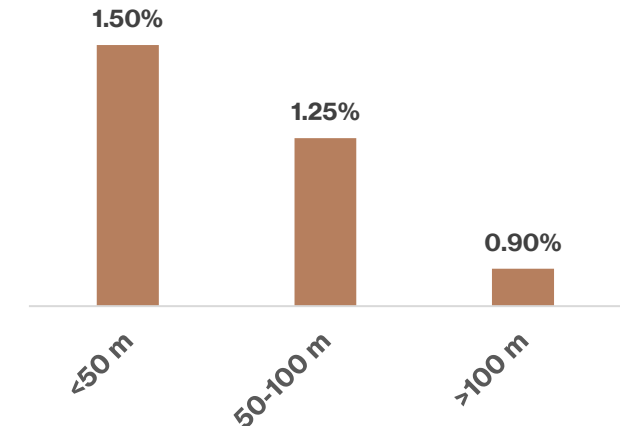


Investor benefit:

Fees decrease as fund grows to boost performance

TRANSACTION FEES³

(% of purchase price)



Investor benefit:

Scaled transaction fees to improve performance



- Clear goal to create win-win situation for us and our investors
- Modern dynamic pricing model

1) The number of fund unit certificates is decisive. In the fund's issue phase, discounts on the issue commission are granted (in addition to scaled discounts for higher subscription volumes) in return for a firm commitment to subscribe before the start of the subscription period (pre-commitment), provided that the corresponding units are subsequently paid up in full (discount for the investor's willingness to support the fund during the launch phase). 26

2) Management fee on total fund assets, calculated average

3) Transaction fee on purchase/sale price per property



The portfolio (1/3)

#	Address	Town/city	Type of use	Fair value (in CHF m)	Target rental income (CHF p.a.)	Target gross yield	Rental space (m ²)	Rental defaults (target rent)	WAULT (years)
1	Buchental 4	Oberbüren	Retail/ Office/Logistics	28.0	1'536'860	5.5%	9'547	0.0%	8.3
2	Kirchstrasse 20	Dietikon	Office/ Health	14.8	619'099	4.2%	1'894	0.3%	2.9
3	Oberer Steisteg 18, 20	Schwyz	Office/ Health	9.3	558'946	6.0%	2'669	1.4%	0.9
4	Avenue J.J. Rousseau	Neuchâtel	Office/ Health	8.0	491'959	6.1%	3'099	2.4%	1.9
5	Weinfelderstrasse 74	Amriswil	Retail/ Health	7.2	445'287	6.2%	2'776	1.2%	4.4
6	Dorfplatz 2	Cham	Health	6.1	256'309	4.2%	1'026	4.8%	2.1



Note: This is a simplified representation. The figures do not constitute a promise of future investment returns. The last annual report is authoritative.
Source: As at 30.09.2023



The portfolio (2/3)

#	Address	Town/city	Type of use	Fair value (in CHF m)	Target rental income (CHF p.a.)	Target gross yield	Rental space (m ²)	Rental defaults (target rent)	WAULT (years)
7	Emmentalstrasse 14	Burgdorf	Office/ Health	7.6	408'332	5.4%	2'129	7.9%	5.0
8	Rudolf-Diesel-Strasse 20, 22	Winterthur	Retail	54.1	2'250'021	4.2%	12'582	0.4%	3.1
9	Luzernerstrasse 86, 88	Luzern	Commercial	21.6	1'030'679	4.8%	8'260	0.4%	1.4
10	Via d'Argine 3, 5	Bedano	Commercial/ Office	20.3	1'052'630	5.2%	6'090	0.0%	4.4
11	Marktgasse 3	Winterthur	Retail/Office	20.4	615'350	3.0%	2'817	0.0%	1.4
12	Hauptgasse 59	Solothurn	Retail/Office	19.7	760'088	3.9%	2'642	0.0%	5.2



Note: This is a simplified representation. The figures do not constitute a promise of future investment returns. The last annual report is authoritative.
Source: As at 30.09.2023



The portfolio (3/3)

#	Address	Town/city	Type of use	Fair value (in CHF m)	Target rental income (CHF p.a.)	Target gross yield	Rental space (m ²)	Rental defaults (target rent)	WAULT (years)
13	Bälliz 7	Thun	Retail/Office	10.8	467'718	4.3%	1'036	0.0%	3.3
14	Centro Lugano Sud	Grancia	Retail	84.3	6'695'951	7.9%	22'096	6.1%	3.0
15	Chollerstrasse 21, 23	Steinhausen	Commercial/ Office	24.5	1'083'799	4.4%	6'279	17.0%	3.4
16	Rorschacher Strasse 63	St. Gallen	Office	9.1	349'967	3.9%	1'880	0.0%	8.9
17	Via Laveggio 5	Stabio	Office	79.3	3'327'301	4.2%	18'108	0.0%	14.3
18	Via Laveggio 4	Stabio	Office	10.1	422'627	4.2%	2'374	0.0%	14.3
Total Portfolio				434.8	22'372'922	5.2%	107'303	3.2%	5.4



Note: This is a simplified representation. The figures do not constitute a promise of future investment returns. The last annual report is authoritative.
Source: As at 30.09.2023



- **Balanced portfolio with Core and Core+ properties and broad diversification**
- **Focus on commercial properties with good location quality, solid infrastructure and positive demographic and economic conditions**



Key technical data

SUMMARY

Investment strategy: Core+

- **Focus** on commercial real estate in attractive locations («ABBA»¹ approach) in Switzerland
- **High-yield portfolio** with **attractive return on investment**
- Ownership type: **direct ownership** = tax advantage
- **Stable cash flows** with low vacancy rates
- **Good hedging against inflation** with indexed rental contracts

1) ABBA: strategy of investing in A towns in B locations and in B towns in A locations

Key technical data	
Fund name	Swiss Prime Site Solutions Investment Fund Commercial
Launch date	17 December 2021
Valor / ISIN	113 909 906 / CH1139099068
Appropriation of income	Distributing
Fund term	Indefinite
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 of CISA in conjunction with Art. 4 paras. 3-5 and Art. 5 paras. 1 and 4 FinSA
Property	Properties are held in direct ownership, which provides a tax advantage for investors who are subject to taxation
Custodian bank	Banque Cantonale Vaudoise
Permanent valuation expert	PricewaterhouseCoopers AG, Zurich
Portfolio and asset management	Swiss Prime Site Solutions AG (FINMA-regulated)
Tradability	Daily OTC trading (at BCV – PropertyMatch / Lienhardt & Partner Privatbank Zürich AG)
Redemption of fund units	At the end of the financial year, subject to a notice period of 12 months
Accounting year	1 October to 30 September
Fund currency	CHF
Planned fund volume	> CHF 1 bn



Transparent costs

Remunerations & ancillary costs	Calculation basis	Actual*	Maximum	Borne by	Dynamic costs
Issue commission	NAV	1.30%	2.50%	Investors	< 5 m = 1.3%; 5 – 10 m = 1.25%; 10 – 15 m = 1.20%; 15 – 20 m = 1.15%; 20 – 25 m = 1.10%; 25 – 30 m = 1.05%; 30 – 35 m = 1.00%; > 35 m = 0.95%
Redemption commission	NAV	n.a.	2.50%	Investors	
Management fee	GAV	0.47%	1.00%	Fund assets	< 500 m = 0.47%, > 500m = 0.46%; > 750 m = 0.45%; > 1000 m = 0.44%; > 1500 m = 0.42%; > 2000 m = 0.39%
Transaction fee (purchase/sale)	Purchase/sales price	1.28%	2.00%	Fund assets	Tiered fee scale on purchase price of individual property: < 50 m = 1.50%; > 50 m < 100 m = 1.25%; > 100 m = 0.9%
Construction management fee for new build, renovation, modification	Construction costs	2.32%	9.00%	Fund assets	
Management costs	Annual gross rental income	n.a.	5.00%	Fund assets	
Custodian bank commission	NAV GAV	0.03%	0.05%	Fund assets	Tiered fee scale based on volume from > 1000 m; > 1500 m; > 2000 m
TER 2022/23 (total expense ratio)	GAV	0.71%	n.a.	Fund assets	Decreasing due to volume-dependent management fee, Target: 0.70% for fund volume of approx. CHF 2 bn

* as per annual report 30.09.2023

GAV: gross asset value = total fund assets (sum of all assets)

NAV: net asset value = net fund assets (total fund assets, less current and non-current liabilities and estimated liquidation tax)



Risks and risk mitigation

Risks

Limited liquidity compared with listed investment products

The value of properties may fluctuate due to the following factors:

- Changes in supply or demand that adversely affect the purchase/sale or letting of properties
- Changes to interest rates and exchange rates
- Taxes or regulatory changes in the different markets
- Environmental risks
- Disasters
- Force majeure and terrorism

Additional risks are listed in the fund prospectus and in the respective issue prospectuses

Mitigation

- Thorough due diligence before purchasing any property
- Continuous monitoring of the individual investments and rental markets and the macroeconomic environment
- Internal and external experts in taxation and regulation at local level
- Broad portfolio diversification with carefully selected properties



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