

Swiss Prime Site Solutions Investment Fund Commercial

Factsheet from 30 June 2022

Investment strategy

The Swiss Prime Site Solutions Investment Fund Commercial invests directly in commercial properties in good to very good locations (AB-BA approach) 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 31.03.2022)

Net asset value per unit in CHF	103.21
Closing price in CHF	104.50
Premium	1.25%
Fair value of the properties	230 726 000
Total fund assets (GAV) in CHF	236 727 928
Net fund assets (NAV) in CHF	148 802 652
Loan-to value ratio as % of fair value ¹	37.27%
Distribution in CHF	n.a.
Cash yield	n.a.
Payout ratio	n.a.
Return on equity (ROE) ²	3.21%
Return on invested capital (ROIC) ²	2.23%
Return on investment ²	3.21%
Total expense ratio (TER _{REF} GAV) ³	0.68%
Total expense ratio (TER _{REF} MV) ³	0.95%
Management fee p.a.	0.47%
Rent default rate	2.78%
Weighted average unexpired lease term (WAULT)	5.02 years

Figures based on the semi-annual accounts up to 31 March 2022 (unaudited)

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

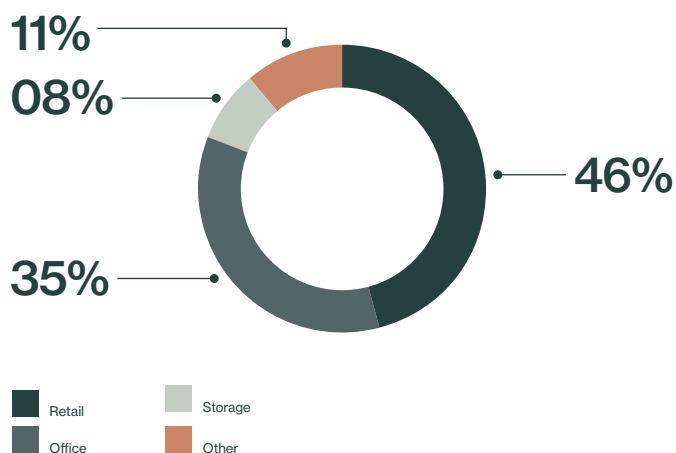
2) Calculation for year-to-date (17.12.2021 - 31.03.2022)

3) Annualised figures

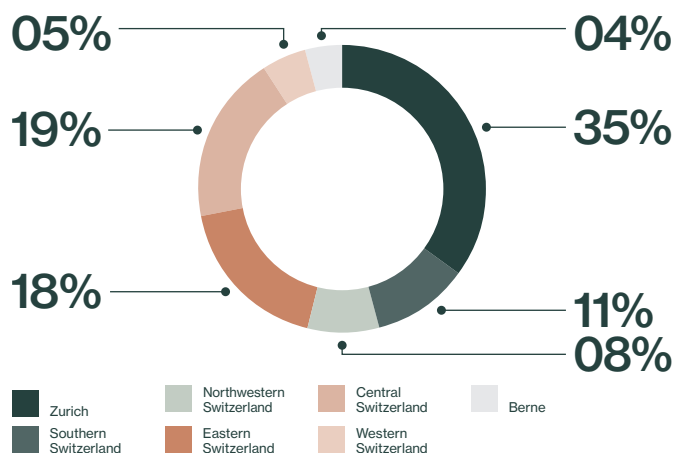
Performance

1 month	3 months	6 months	YTD	s.i. 17.12.2021
-2.91%	-3.38%	0.13%	0.13%	1.13%

Portfolio split by type of use as at 31.03.2022 (target rental income)



Portfolio split by region as at 31.03.2022 (target rental income)



Quarterly CIO’s review

The second quarter 2022 of the Swiss Prime Site Solutions Investment Fund Commercial (IFC) was dominated by the acquisition of the Centro Lugano Sud shopping centre in Ticino. Centro Lugano Sud is an ideal property for the IFC’s investment strategy due to its attractive location, direct connection to IKEA, well-known tenants and high visibility. The acquisition has increased the fund’s assets under management (AuM) significantly and will enable it to continue growing in line with the strategy. Including Centro Lugano Sud, the IFC now comprises 14 properties. This brings the fund’s AuM to more than CHF 300 million since its launch six months ago.

With a return on investment of 3.21%, the first published semi-annual report shows that the product has already performed strongly in the first three-and-a-half months since its launch. The anti-cyclical focus on commercial properties offers advantages over unprotected investment products, particularly in an inflationary environment. The IFC’s commercial rental contracts are tied to the consumer price index at 92% of rental income. With inflation being high at present, this gives investors a clear advantage over investment products focused on residential properties.

In addition to the ongoing geopolitical tensions and the lingering effects of the COVID-19 restrictions, another key external influence in Q2 2022 was the SNB’s decision to increase the base rate by 0.50%. Overall, we are expecting investment pressure to remain high and to only be slightly dampened by the rise in interest rates and the increase in real estate allocations as a result of market value losses on fixed-income investments and shares. We believe that real estate investments have lost little of their relative appeal and will continue to be a popular investment product.

For more information about the SPSS IFC, please visit our [website](#) or contact:



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