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Swiss Prime Site Solutions Investment Fund Commercial ends 2023/2024 financial year with 9.7% growth in rents and a higher dividend

- **High growth in rental income of +9.7%**
- **Strong cash flow yield of 5.7% well above the target range**
- **11% increase in dividend distribution to CHF 4.90 per unit certificate**
- **Vacancy rate at record low of 1.5%**
- **Outperformance of SWIT by 8.2% since launch**

The Swiss Prime Site Solutions Investment Fund Commercial («SPSS IFC») can look back on a successful 2023/2024 financial year (01.10.2023–30.09.2024). All strategic targets were met and some were exceeded. Thanks to rent increases and record-low vacancy rates, the fund saw an increase in net revenue compared to the previous year despite higher financing costs. These positive operational developments have resulted in a significant increase in the dividend.

Higher rental income and record-low vacancy rate

Rental income of CHF 22.7 million was posted in the reporting period. This represents an increase of CHF 2.0 million (9.7%) compared to the previous year. This positive development is partly due to higher rental income from existing properties as a result of indexation, as well as a further reduction in vacancy losses. The vacancy rate is at a record low of 1.5%. The WAULT (weighted average unexpired lease term) remained stable at 5.4 years in the 2023/2024 financial year and is just below the all-time high since the fund was established in December 2021. The profitable sale of a property in Cham serves to highlight the sustainable valuation of the portfolio. In the 2023/2024 financial year, the SPSS IFC recorded a 1.9% increase in adjusted net revenue to CHF 13.3 million. As a result, the EBIT margin increased to 76.3% (previous year: 75.4%).

Cash flow yield of 5.7% and significant increase in dividend distribution

The high-yield portfolio recorded a strong cash flow yield of 5.7%, placing it well above the target range of >4.0%. The strong operating result has enabled an outstanding increase in the dividend distribution from CHF 4.40 to CHF 4.90 per unit certificate. At 87%, the payout ratio remains defensive in order to ensure a sustainable dividend policy for the future. With an attractive distribution yield of 4.9%, the fund improved on last year's result and reached the upper end of the target range. The distribution will be paid out on 6 December 2024 (ex-date 4 December 2024).

SWIT outperformed by 8.20%

The fundamental strength of the SPSS IFC is seen in the solid performance in over-the-counter trading since the establishment of the fund in the year 2021. In this period, the performance of



the fund has been an impressive +6.2%. This means it outperformed the index of Swiss real estate funds listed on the stock exchange (SWIIT) by +8.2%, since the SWIIT was down by -2.0% in the same period.

Effective sustainability measures: significant reduction in consumption figures

Across the SPSS IFC portfolio, CO₂ emissions per square metre were reduced by a significant 28%, while energy intensity per square metre was reduced by 14% (REIDA figures). These achievements were recognised with a score of 81/100 (3 Stars) in the first-year GRESB rating, highlighting Swiss Prime Site Solutions' commitment to responsible practices. The fund management continues to pursue a sustainable investment policy through the ongoing integration of ESG criteria (environmental, social, governance). This sustainability policy was also incorporated into the fund documents at the beginning of 2024.

Fund profile

The Swiss Prime Site Solutions Investment Fund Commercial is aimed at qualified investors and primarily invests in commercial real estate in established business locations throughout Switzerland. The investment focus is on broad diversification, high cash flow stability and attractive risk-return profiles. With an investment strategy that maintains an anti-cyclical focus on commercial properties, the SPSS IFC utilises attractive investment opportunities and offers enhanced protection from the effects of inflation with a high indexing rate of over 95%. SPSS IFC is the direct owner of the real estate; as such, taxes on income and capital gains are pre-paid by the fund itself, making them tax-free to investors (private and business assets) who are resident in Switzerland.

Detailed information and presentation

A recording of the presentation for the 2023/2024 annual report can be found at the following [Link](#). For additional information, see our [website](#).

Investment opportunities in commercial real estate in Switzerland

In recent years, investors have focused on real estate investments in residential property. However, commercial real estate offers higher cash yields than residential property and bond investments.

A recent study by the independent real estate appraiser Wüest & Partner highlights the compelling aspects of this asset class and explains the factors that should be considered when making investment decisions. Swiss Prime Site Solutions is pleased to provide the analysis.



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Swiss Prime Site Solutions AG

Swiss Prime Site Solutions is a group company of the listed Swiss Prime Site AG. The real estate asset manager, which has CHF 12.8 billion in assets under management and a pipeline of CHF 1.5 billion, develops tailor-made services and real estate solutions for clients. Swiss Prime Site Solutions AG has been approved as a fund manager by FINMA pursuant to Art. 2 para. 1 (d) in conjunction with Art. 5 para. 1 FinIA.