Public
For marketing purposes

UBS «Sima»

Capital increase in May 2024

UBS «Sima», UBS «Foncipars», UBS «Swissreal» und Residentia

Annual financial statements as of 31 December 2023

12. April 2024

Section 1

UBS «Sima»

Conditions of the capital increase

The advantages of UBS «Sima»

Product

- Switzerland's largest listed real estate fund
- Liquidity due to high market capitalization and small denominations
- Attractive investment and dividend yield

Portfolio

- Attractive residential and commercial properties throughout Switzerland
- Stable returns from the existing portfolio
- Growth through acquisition of construction projects and existing properties
- Potential for internal value enhancement through renovations and densification
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

Management

- Your partner for responsible real estate management since more than 80 years
- Reliable, resourceful, passionate
- Fund and competence teams with many years of experience
- Responsible real estate management through appreciation and value creation

UBS «Sima» – overview of the capital increase

Largest listed Swiss Real Estate fund with investments in residential and commercial properties

- Very broadly diversified real estate portfolio in selected locations with 362 properties
- Switzerland's largest real estate fund with a portfolio volume of around CHF 11.7 billion
- The return on investment (based on net asset value) developed positively at 2.7% in 2023, regardless of the stock market price.
- Issue of around CHF 200 million

Issue of around CHF 213 million

- Subscription price CHF 104.30*
- 2 to 10 May 2024, 12.00 noon, settlement 17 May 2024
- The aim of the capital increase is to raise additional funds for the purchase of additional properties, the financing of renovations and construction projects.
- Acquisitions and construction projects in good locations in the regions of Aargau and Zurich

UBS

* The subscription price is made up of the asset value at the end of December 31, 2023 after distribution plus accrued income up to the settlement date and the issuing commission.

UBS «Sima» – Objective of the capital increase

A large part of the proceeds will be used for the following projects:

Replacement of residential property, Zelgstrasse, Uster

- Investment volume approx. CHF 87 million
- Completion planned for Q1 2025

Replacement of residential property, Anna-Heer-Strasse, Zurich

- Investment volume approx. CHF 41 million
- Completion planned for Q1 2025

Acquisition of commercial property, Industriestrasse, Oftringen

- Investment volume approx. CHF 85 million
- Commencement 4th quarter 2023

The remaining proceeds will be used to purchase additional properties, finance renovations and construction projects, and repay debt financing.

Source: UBS Asset Management, Real Estate & Private Markets (REPM)

UBS «Sima» – Issue conditions

- Ex-dividend payout: 16 April 2024
- Ex-date subscription rights: 2 May 2024
- Subscription period: 2 to 10 May 2024, 12.00 noon
- SIX Swiss Exchange subscription rights trading: 2 to 8 May 2024
- Settlement: 17 May 2024
- Subscription price = asset value as of 31 December 2023 (after distribution) + accrued income + issuance commission

Issue conditions UBS (CH) Property Fund – Swiss Mixed «Sima»

Valor shares	1 442 087
Valor subscription rights	132 590 540
Subscription ratio (new : existing shares)	1 : 35
Amount of existing shares	71 633 529
Amount of new shares (maximum)	2 046 673 commission («best effort basis»)
Subscription price for new shares	CHF 104.30
Stock price (March 19, 2024)	CHF 138.50
Theoretical stock market price after distribution	CHF 135.25
Theoretical value of subscription rights after distribution	CHF 0.86
Theoretical opening price Share on the 1st day of the subscription period	CHF 134.39
Volume	Approx. CHF 213 Mio.

The new shares are entitled to dividends retroactively from 1 January 2024 for the entire current financial year.

Why participate in the capital increase?

- Participation in the capital increase enables further exposure to high-quality Swiss real estate.
- Clear investment guidelines and professional management ensure the careful investment of new capital.
- The acquisition of additional properties increases diversification and stability, rejuvenates the portfolio and thus increases its attractiveness for tenants and thus ultimately for investors.
- The new shares will be issued regardless of the market price at asset value (after distribution) at the end of December 31, 2023 plus the accrued income up to the settlement date and the issuing commission.

UBS

Source: UBS Asset Management, Real Estate & Private Markets (REPM)

Why UBS Real Estate Investment Products?

- Real estate funds offer additional diversification of a portfolio.
- In the case of UBS real estate funds, the aim is to provide regular, sustainable income distributions (focus on income-oriented investors) and asset preservation (income generation through core real estate investments).
- Attractive dividend yield (UBS «Sima» at 2.4% as of 31.12.2023). This significantly exceeds the current yields on CHF bonds.
- Compared to real estate stock corporations, real estate funds offer additional security thanks to the Collective Investment Schemes Act (e.g. guaranteed redemption of shares at asset value).

UBS

Note: These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

Why UBS Real Estate Investment Products?

- Range consisting of eight clearly positioned products:
  - Residential and commercial buildings throughout Switzerland: UBS "Sima"
  - Residential buildings in German-speaking Switzerland: UBS «Anfos»
  - Residential buildings in French-speaking Switzerland: UBS "Foncipars"
  - Commercial buildings throughout Switzerland: UBS "Swissreal"
  - Residential buildings all of Switzerland directly owned: UBS Direct Residential
  - Directly owned residential and commercial properties in urban areas of Switzerland: UBS Direct Urban
  - Predominantly residential buildings in southern Switzerland directly owned: Residentia
  - Überwiegend Wohnbauten in der Südschweiz im Direktbesitz: Residentia
  - Residential and commercial real estate in Europe: UBS PF Europe
- Responsible real estate management with a long-standing commitment to ESG.
- A clear focus makes it easier to put together your personal real estate fund mix.
- The large fund assets and the small denomination ensure good tradability on the stock exchange.
- All properties are valued according to a recognised and up-to-date valuation method (DCF) by independent valuation experts.

UBS

Source: UBS Asset Management, Real Estate & Private Markets (REPM)

Section 2

UBS «Sima»

Annual Financial Statements as of 31 December 2023

UBS «Sima» - Management Summary

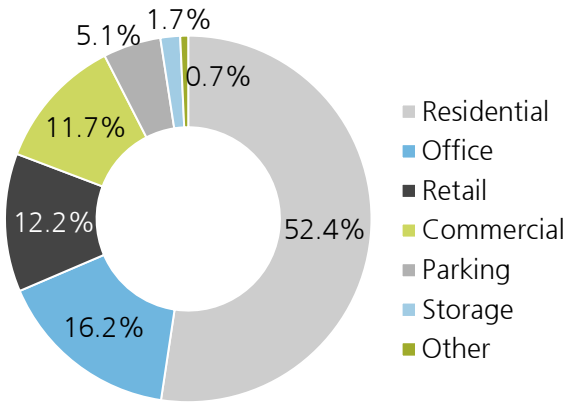
Financial year 2023

- Listed Swiss real estate fund with residential, mixed and commercial properties throughout Switzerland
- Stable returns from the existing portfolio
- Potential for internal value enhancement through renovation and densification
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

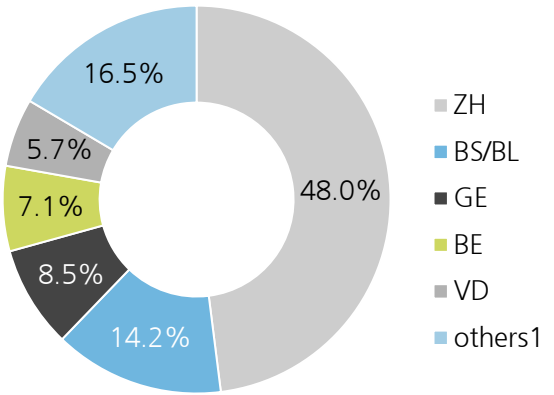
Key Figures

Year of launch	1950
Net asset value	CHF 7'423.2 m
Market value	CHF 11'701.3 m
Rental income	CHF 430.7 m
Rental default rate	4.0%
Leverage ratio	26.5%
Total return on NAV	2.7%
Performance	8.7%
Number of properties	362

Usage



Regions



Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 Dezember 2023
1 Other Regions: SG 3.3%, AG 3.3%, LU 3.3% TI 1.3%, SO 1.3%, NE 1.2%, SH 1.0%, GR 0.6%, TG 0.5%, VS 0.4%, FR 0.2%, GL 0.1%
These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

UBS «Sima» – Key Data

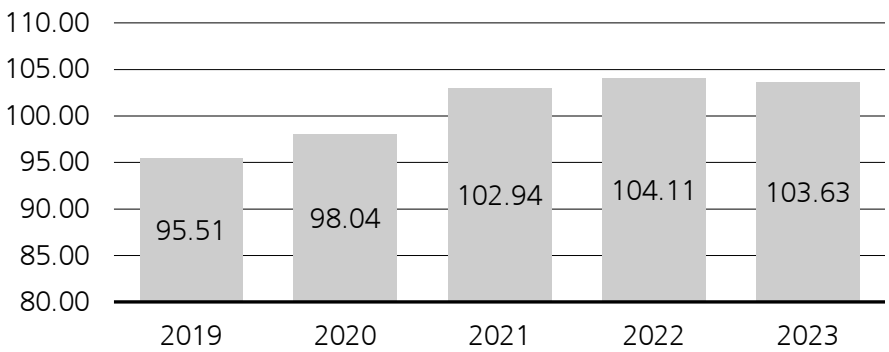
Financial year 2023

> The distribution per share will remain at the previous year's level of CHF 3.25

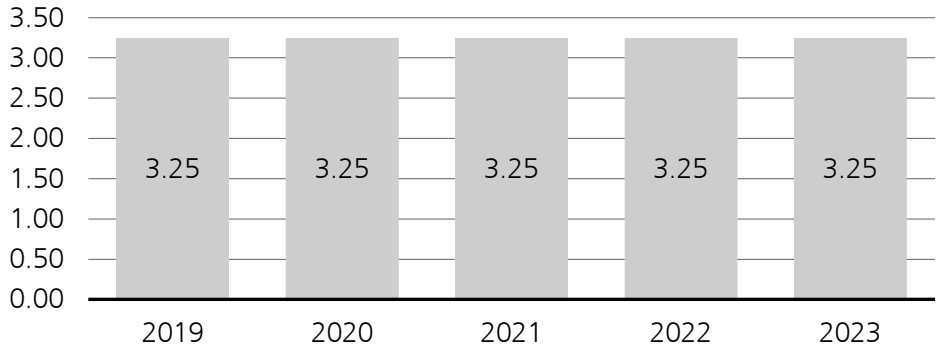
> This will be split into two coupons, as UBS «Sima» is distributing one-off capital (free of withholding tax) of CHF 0.45 from accumulated capital gains from previous years as part of an adjustment

	31.12.2023	31.12.2022	31.12.2021
Performance	8.7%	-12.8%	8.5%
Total return on NAV	2.7%	4.4%	8.6%
Dividend Yield	2.4%	2.6%	2.2%
Premium	29.8%	21.8%	44.4%
Rental default rate	4.0%	4.5%[1]	5.3%[2]
Leverage ratio	26.5%	24.4%	22.8%

Net asset value



Distribution per unit



Source: UBS Asset Management,Real Estate & Privat Markets (REPM); Daten per 31 December 2023

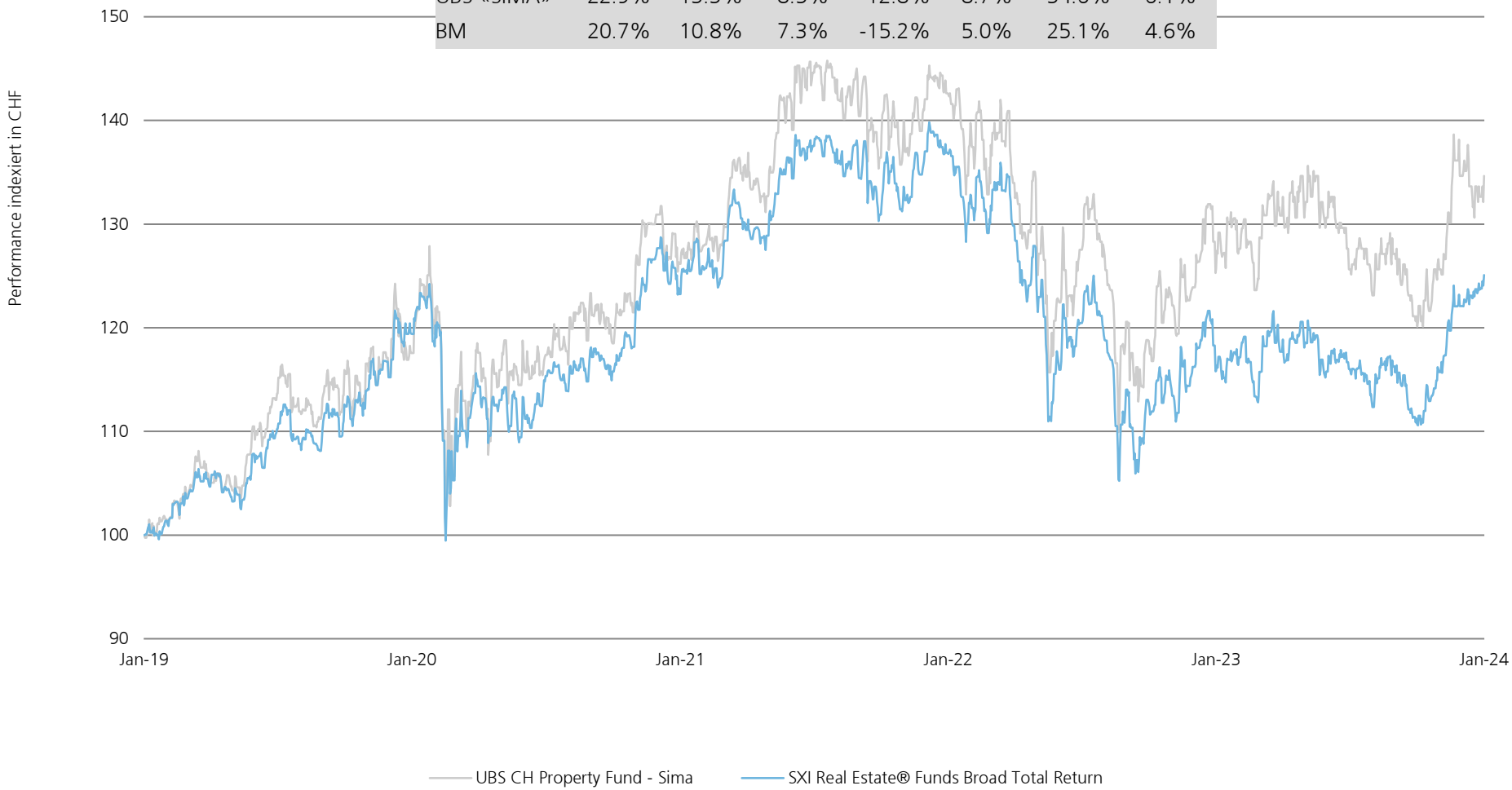
1 As at annual financial statements 31.12.2022, minor rent waivers were granted; there is therefore no effect on the reported rent default rate of 4.5%.

2 Incl. granted rent waivers (COVID-19); without this effect, the reported rent default rate would amount to 4.8% (instead of 5.3%) for the financial year.

These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

UBS «Sima» – Benchmark Comparison

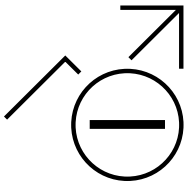
Performance in % as of 31.12.2023							
	2019	2020	2021	2022	2023	5 years	Ø p.a. 5 years
UBS «SIMA»	22.9%	13.3%	8.5%	-12.8%	8.7%	34.6%	6.1%
BM	20.7%	10.8%	7.3%	-15.2%	5.0%	25.1%	4.6%



Source: UBS Asset Management, Real Estate & Private Markets (REPM), Data as of 31 December 2023

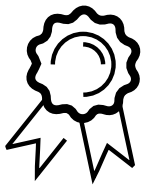
UBS «Sima» - At a glance

Financial year 2023



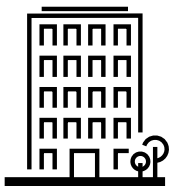
11%

Reduction of the rent default rate to **4.0%**



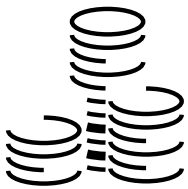
7 years

Outperforming the benchmark



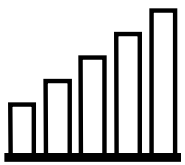
+2.2%

Increase in portfolio volume to **CHF 11,701.3 m**



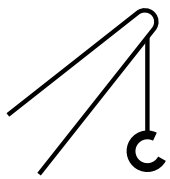
+CHF 12.0 m

Increase in rental income on **CHF 430,7 m**



with **2.7%**

the fund has achieved a **good return on investment**



Inner gross value potential

of CHF **3 billion**, of which CHF 1.2 billion in the medium term

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
Past performance is no guarantee of future performance.

UBS «Sima» - Nachhaltigkeit Highlights

Financial year 2023

GRESB-Rating 2023:

Standing Investment: 5 stars
Development: 4 stars

Modelling of a **reduction path** across the entire portfolio with the aim of being **CO_2-neutral by latest 2050**

More than **2000 kWp** of installed **solar power** and further panels are in progress

"Buck40" in Zurich is the first refurbishment project in Switzerland to be **certified DGNB Gold**

" Action-oriented sustainability means implementation and here we are on track!

Martin Strub
Fund Manager
UBS «Sima»

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

Highlights

Exploiting intrinsic value potential, including ESG, wood and circular economy

New building in timber construction | very central situated | Heat pump with hydrogen | SNBS Gold planned

Zürich, Anna-Heer-Strasse

- Investment amount approx. CHF 41 million
- Gross income on completion CHF 2.7 million
- Market value at completion: CHF 97 million
- Number of apartments 81
- Parking spaces 56

Further information

New building in timber construction | High prefabrication | Car-Sharing concept | Minergie ECO planned

Uster (ZH), «im Zelg»

- Investment amount approx. CHF 87 million
- Gross revenue on completion CHF 4.4 million
- Market value at completion: CHF 131 million
- Number of apartments 164
- Parking spaces 143

Further information

Highlights

Acquisition of a logistics property and start of construction of the large-scale "Acacias" project in Geneva

Effective December 1, 2023

in Logistics Valley of Switzerland

20-year lease agreement with Fiege

Potential for one of the most powerful PV systems in Switzerland

First logistics center in the portfolio

Oftringen (AG), Industriestrasse

- Investment costs CHF 85.4 million
- Gross profit CHF 3.8 million (Triple Net)
- Gross yield 4.4%
- 29,700 m2 of warehouse, 880 m² of office space and 1,700 m² of other space

Yield + 4.4 million

Market value + 220 million

Seawater-Heat pump

Upgrading of the entire district

Spacious outdoor areas and courtyard

Minergie ECO planned

Genf, «Acacias»

- Investment amount approx. CHF 176 million
- Gross income at completion: CHF 11.6 million
- Market value at completion: CHF 338 million
- Number of apartments 336
- Commercial area around 3300 m²

Further information

UBS

Section 3

UBS «Foncipars»

Annual Financial Statements as of 31 December 2023

UBS «Foncipars» - Management Summary

Financial year 2023

- Listed Swiss real estate fund with a focus on residential buildings in French-speaking Switzerland
- Stable returns from the existing portfolio
- Potential for internal value enhancement through renovation and densification
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

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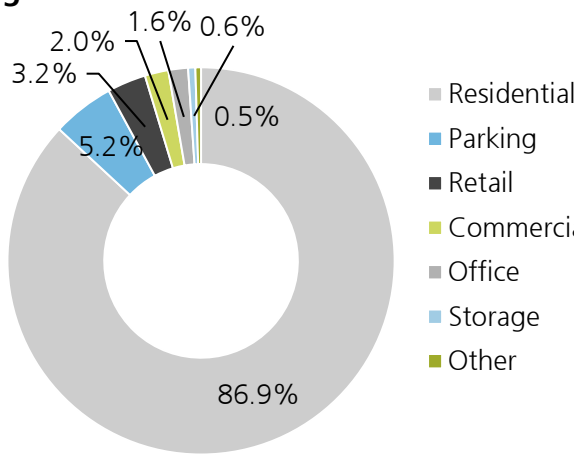
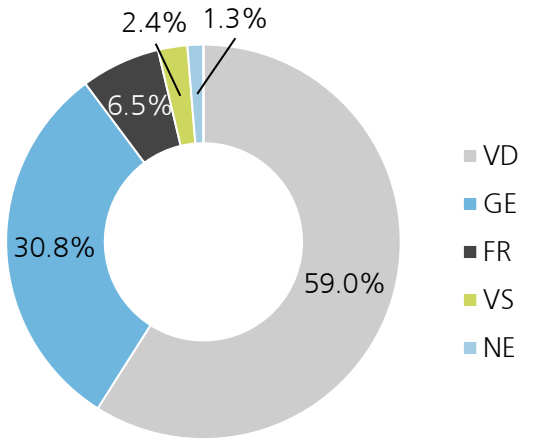
Key Figures	
Year of launch	1943
Net asset value	CHF 1'446.5 m
Market value	CHF 1'953.3 m
Rental income	CHF 90.9 m
Rental default rate	1.5%
Leverage ratio	20.4%
Total return on NAV	5.2%
Performance	5.5%
Number of properties	136

Usage



Regions



Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

UBS «Foncipars» – Key Data

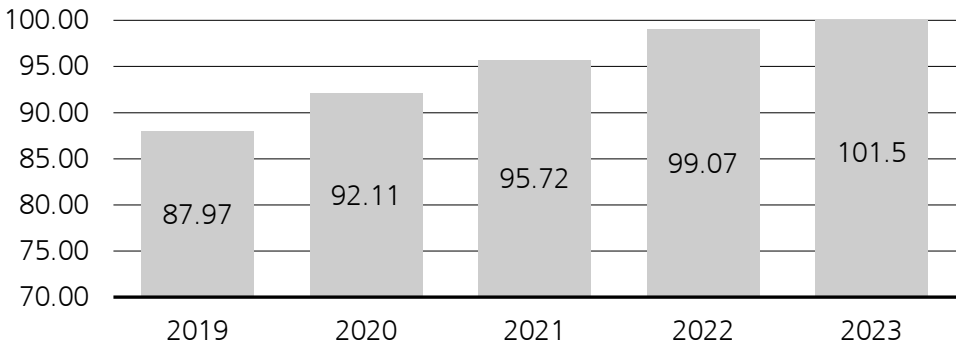
Financial year 2023

> The distribution per share will be increased from CHF 2.60 to CHF 2.75 compared to the previous year's level

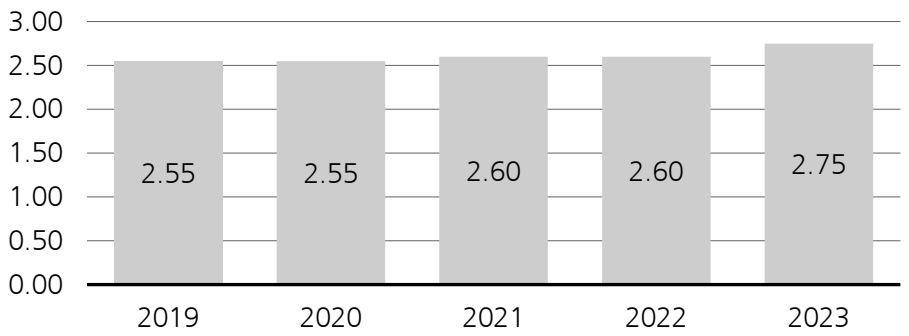
> Rental income up 4.5% to CHF 90.9 million

	31.12.2023	31.12.2022	31.12.2021
Performance	5.5%	-13.6%	9.3%
Total return on NAV	5.2%	6.4%	6.9%
Dividend Yield	2.2%	2.1%	1.8%
Premium	23.2%	22.1%	48.9%
Rental default rate	1.5%	1.8%[1]	2.5%[2]
Leverage ratio	20.4%	17.4%	14.4%

Net asset value



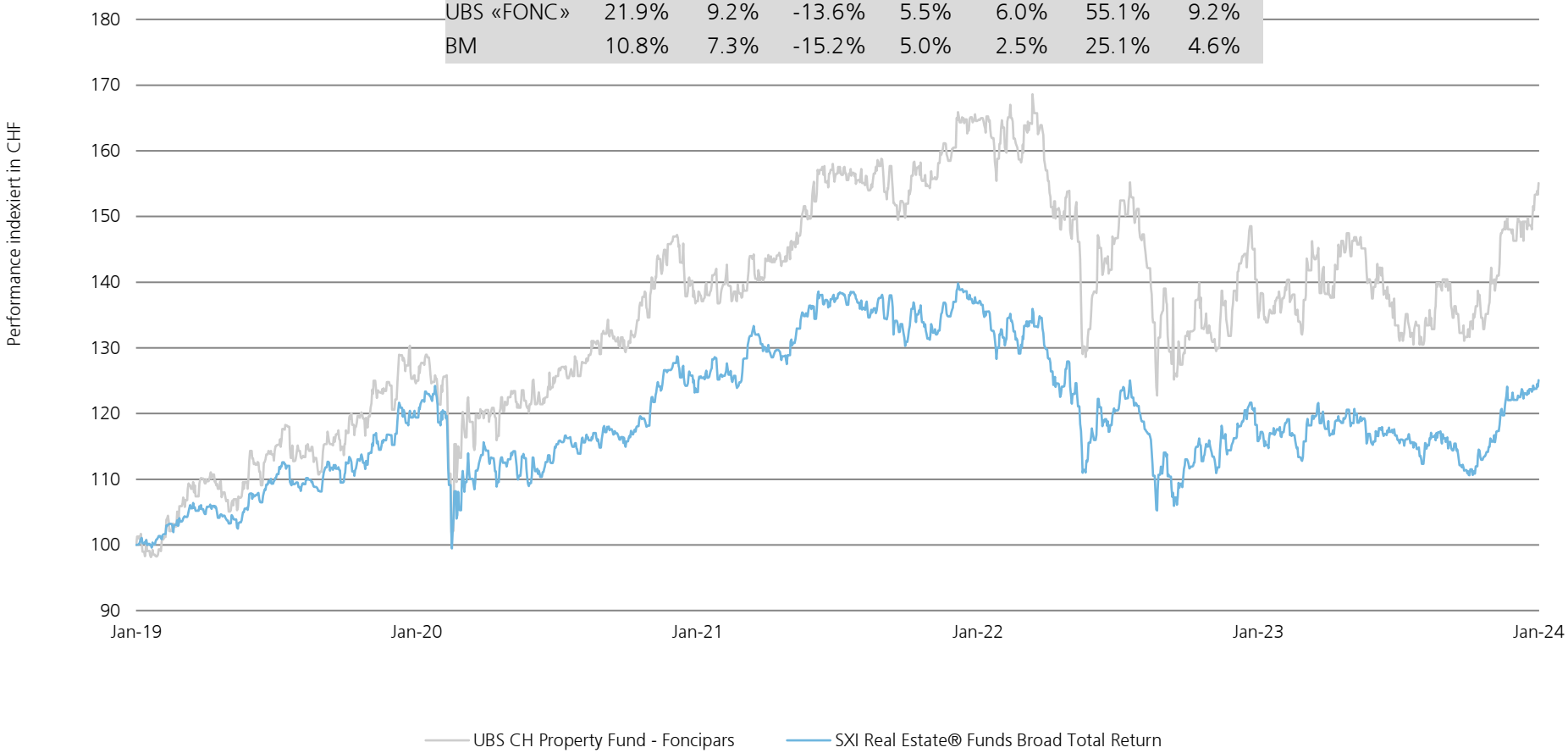
Distribution per unit



Source: UBS Asset Management, Real Estate & Private Markets (REPM), Data as of 31 December 2023
1 As of 31.12.2022, small rent waivers (COVID-19) were granted; there is therefore no effect on the reported loss of rent rate of 1.8%
2 Incl. rent waivers granted (COVID-19); without this effect, the reported rent default rate would be 2.4% (instead of 2.5%) at the end of the year.
These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

UBS «Foncipars» – Benchmark Comparison

Performance in % as of 31.12.2023							
	2020	2021	2022	2023	2024 YTD	5 years	Ø p.a. 5 years
UBS «FONC»	21.9%	9.2%	-13.6%	5.5%	6.0%	55.1%	9.2%
BM	10.8%	7.3%	-15.2%	5.0%	2.5%	25.1%	4.6%



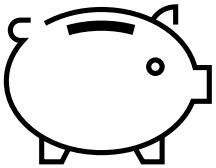
Source: UBS Asset Management, Real Estate & Private Markets (REPM), data as of 31 December 2023.
Note: These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take into account any commissions and costs incurred during subscription and redemption of shares..

UBS «Foncipars» - At a glance

Financial year 2023

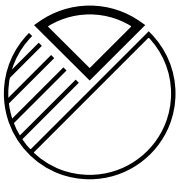
5.2%

attractive total return on NAV



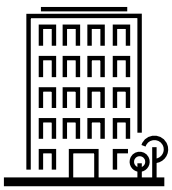
CHF **2.75**

Increase in the distribution per share by 15 centimes



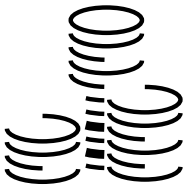
+6.8%

Increase in portfolio volume to **CHF 1'953 m**



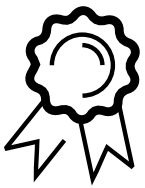
1.5%

very low rental default rate



+4.5%

Increase in rental income to around **CHF 91 m**



5 Green Stars

in the GRESB Development benchmarking

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
Past performance is no guarantee of future performance.

UBS «Foncipars» - Nachhaltigkeit Highlights

Financial year 2023

GRESB-Rating 2023:
Standing investment: 5 stars
Development: 5 stars

> **387 kWp** cumulative **photovoltaic output**

> 32% of the buildings are certified

> 17% the energy mix as **renewable energy**

"We have defined the energy-efficient renovation of our buildings as our highest priority and financially well-thought-out to secure the value of our portfolio over the long term.

Elvire Massacand
Fund Manager
UBS «Foncipars»

UBS «Foncipars»

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

UBS «Foncipars» - Highlights aus dem Portfolio

Financial year 2023

Genf, la Tourelle

- Complete renovation
- Realisation
  (start of construction Q3 2021)
- 15 apartment buildings with a total of 419 apartments
- SNBS-Gold + Minergie Renovation
- Investment amount approx.
  CHF 64 million
- Completion: 4Q 2024 planned

Genf, rue de Beaumont

- Complete renovation + addition of storeys
- Realisation
  (start of construction Q3 2022)
- 1 apartment buildings with a total of 59 apartments (22 of which are new)
- Minergie and energy-saving contracting
- Investment amount approx.
  CHF 26 million
- Completion: 3Q 2024 planned

Bussigny (VD), Chemin Champ Perrin

- New construction project
- 2 apartment buildings with a total of 48 apartments and 48 parking spaces
- Minergie Eco
- Investment amount approx.
  CHF 31 million
- Gross Yield: 3.6%
- Completion: 1st July 2023
- Fully rented when moving in

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

Section 4

UBS «Swissreal»

Annual Financial Statements as of 31 December 2023

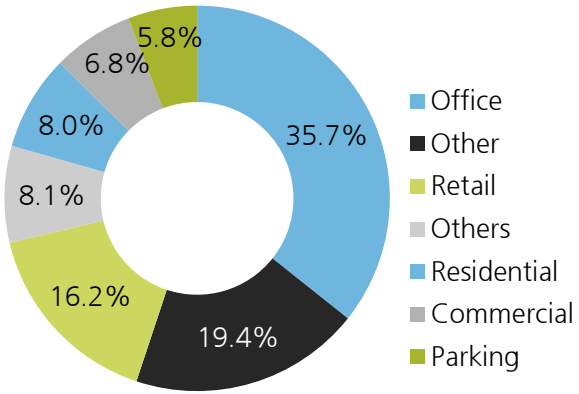
UBS «Swissreal» - Management Summary

Financial year 2023

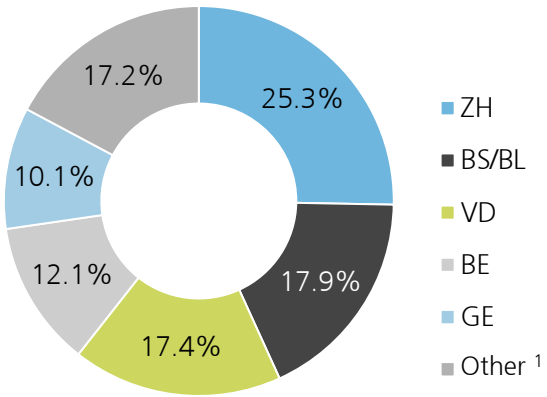
- Listed Swiss real estate fund with commercial real estate throughout Switzerland
- Stable returns from the existing portfolio
- Potential for internal value enhancement through renovation and densification
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

Key Figures	
Year of launch	1962
Net asset value	CHF 1'531,7 m
Market value	CHF 2'158,8 m
Rental income	CHF 106,4 m
Rental default rate	3.8%
Leverage ratio	22.9%
Total return on NAV	2.6%
Performance	7.2%
Number of properties	85

Usage



Regions



Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
1 Other regions: SG 4.8%, AG 3.7%, LU 3.6%, FR 2.2%, ZG 1.0%, TI 1.0%, GR 0.5%, TG 0.4%
Past performance is no guarantee of future performance. Performance does not take into account any commissions and costs incurred during subscription and redemption of shares.

UBS «Swissreal» – Key Data

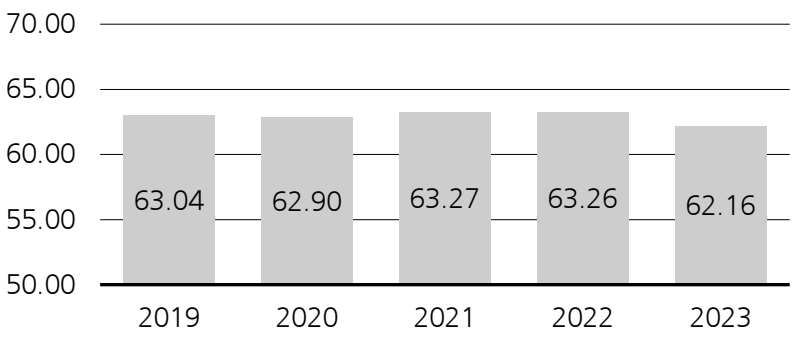
Financial year 2023

> The distribution per share will remain at the previous year's level of CHF 2.65

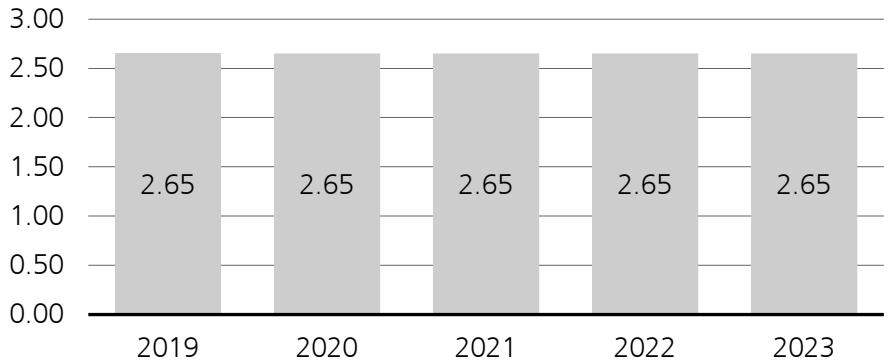
> Rental income up 4.5% to CHF 106.4 million

	31.12.2023	31.12.2022	31.12.2021
Performance	7.2 %	-16.3 %	2.6 %
Total return on NAV	2.6 %	4.3%	5.0 %
Dividend Yield	4.3 %	4.4%	3.5 %
Premium	- 0.6 %	-4.8 %	18.5 %
Rental default rate	3.8 %	5.2 %[1]	5.7 %[2]
Leverage ratio	22.9 %	20.3 %	24.3 %

Net asset value



Distribution per unit

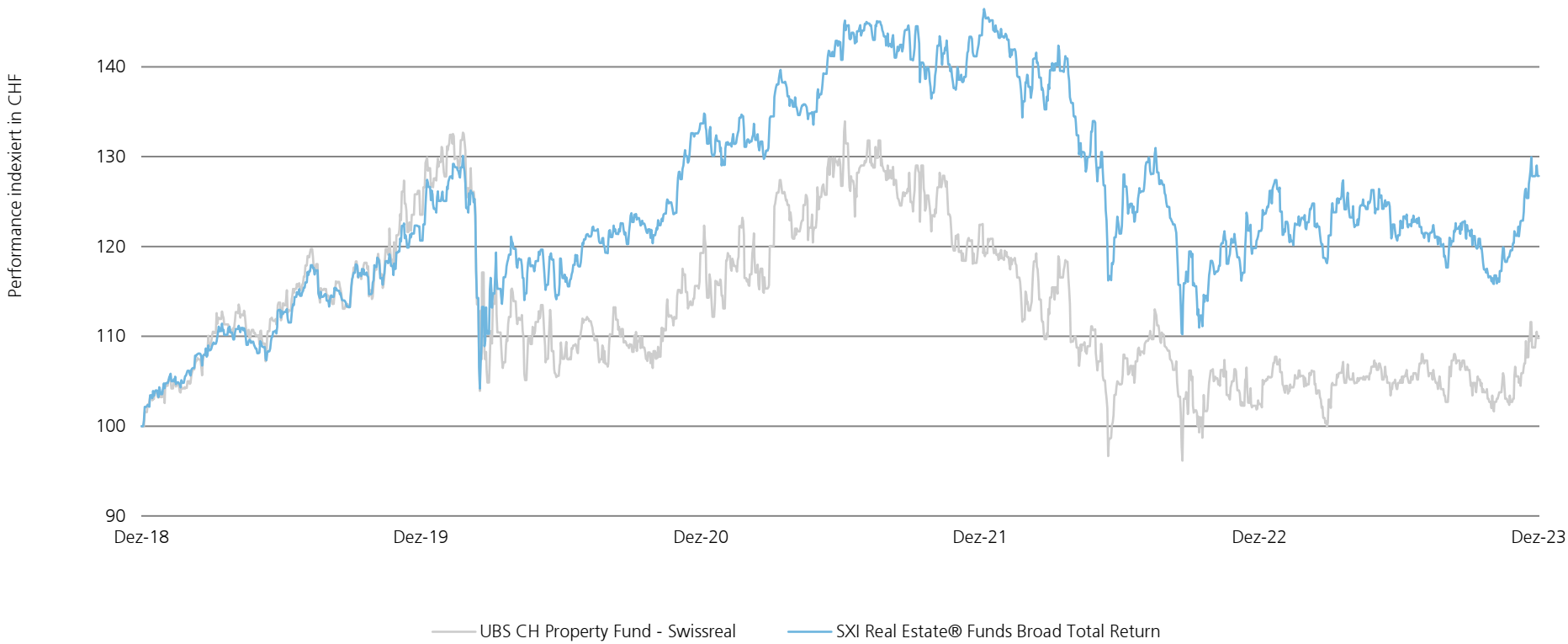


Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
1 Incl. rent waivers granted (COVID-19); without this effect, the reported rent default rate would be 4.9% (instead of 5.2%) at the end of the year.
2 Incl. rent waivers granted (COVID-19); without this effect, the reported rent default rate would be 4.8% (instead of 5.7%) at the end of the year.
Past performance is no guarantee of future performance. Performance does not take into account any commissions and costs incurred during subscription and redemption of shares

UBS «Swissreal» - Benchmark Comparison

Financial year 2023

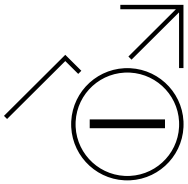
Performance in % as of 31.12.2023							
	2019	2020	2021	2022	2023 YTD	5 years	Ø p.a. 5 years
UBS «SREA»	23.5%	-3.5%	2.6%	-16.3%	7.2%	9.8%	1.9%
BM	20.7%	10.8%	7.3%	-15.2%	5.0%	27.9%	5.0%



Source: UBS Asset Management, Real Estate & Private Markets (REPM), Data as of 31 December 2023

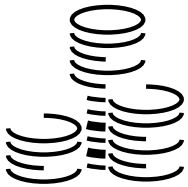
UBS «Swissreal» - At a glance

Financial year 2023



27%

Reduction of the rent default rate to depth **3.8%**

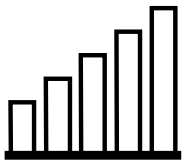


+4.5%

Increase in rental income to around **CHF 106,4 m**

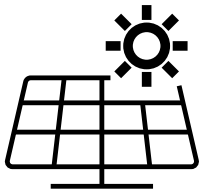
4.3%

attractive **Dividend yield**



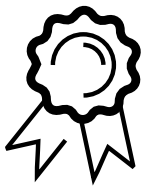
+1.8%

Increase in portfolio volume to around **CHF 2159 m**



+850 kWp

with 4 new photovoltaic systems



5 Green Stars

in the GRESB Sustainability Benchmark

Source: Past performance is no guarantee of future performance.
UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

UBS «Swissreal» - Nachhaltigkeit Highlights

Financial year 2023

GRESB-Rating 2023:

Awarded with **five stars** for the 4th consecutive year

Around 2/3 of the market value is certified

> 850 kWp installed PV capacity in 2023

> 25% of energy purchased from renewable energy sources

"In order to be successful in the long term, we need to strike the balance between current trends and long-term measures.

Jürgen Zimmermann
Fund Manager
UBS «Swissreal»

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

UBS «Swissreal» - Highlights from the portfolio

Financial year 2023

Gossau, St. Gallerstrasse 240, 244 (SG)

- Acquisition of «Hirschbergcenter»
- 2 commercial properties with a total of around 9,600 m² of rental space and 119 PP
- Investment amount approx. CHF 30 million
- Gross Yield: 4.9%

Landquart, Bahnhofstrasse 9, 11 (GR)

- Acquisition of a modern, prestigious commercial building directly at the railway station
- Around 3,200 m² of rental space and 71 PP
- Investment amount approx. CHF 10 million
- Gross yield 6.1%

Lausanne, Route de Berne 1 (VD)

- Complete renovation of the «Tour de La Sallaz»
- Residential tower with 48 apartments
- Certification according to "Minergie Renovation"
- Investment amount approx. CHF 22 million
- Planned completion 4Q 2024

Source: UBS Asset Management, Real Estate & Private Markets (REPM), Data as of 31 December 2023

Section 5

Residentia

Annual Financial Statements as of 31 December 2023

UBS

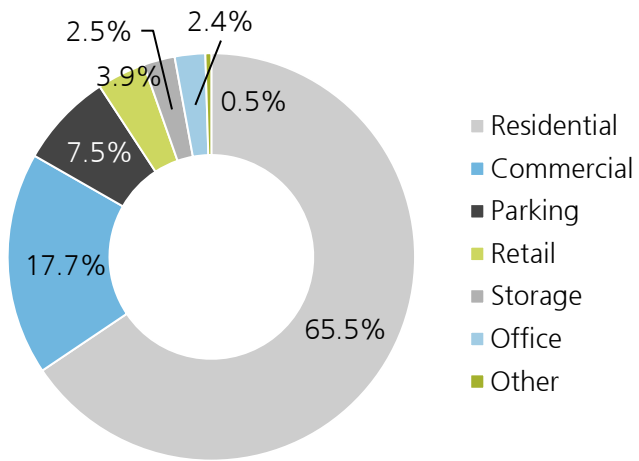
Residentia - Management Summary

Financial year 2023

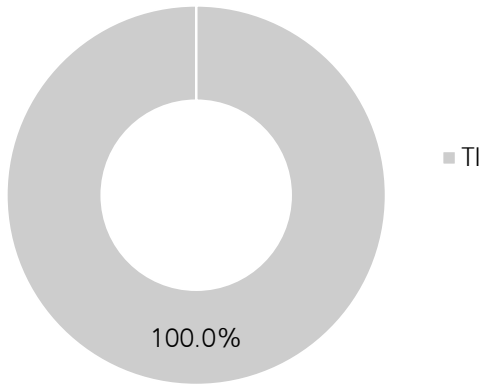
- Listed Swiss real estate fund with direct investments mainly in residential and mixed-use buildings in southern Switzerland
- The only Swiss real estate fund with a focus on southern Switzerland
- Local expertise and networking through cooperation with Pagani Real Estate SA
- Fund management at Real Estate Switzerland since 1st February 2021

Key Figures	
Year of launch	2009
Net asset value	CHF 177.2 m
Market value	CHF 242.9 m
Rental income	CHF 11.3 m
Rental default rate	12.8%
Leverage ratio	27.2%
Total return on NAV	-1.2%
Performance	2.5%
Number of properties	31

Usage



Regions



UBS

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
Past performance is no guarantee of future performance. Performance does not take into account any commissions and costs incurred during subscription and redemption of shares.

Residentia - Key Data

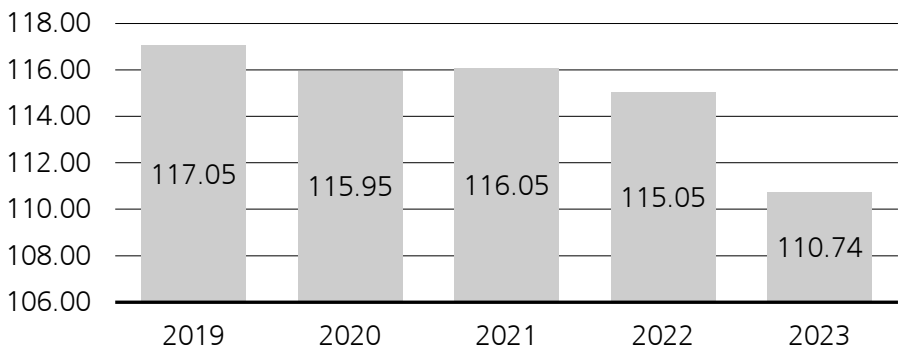
Financial year 2023

> The distribution per share will be increased from CHF 3.00 to CHF 3.35 compared to the previous year's level.

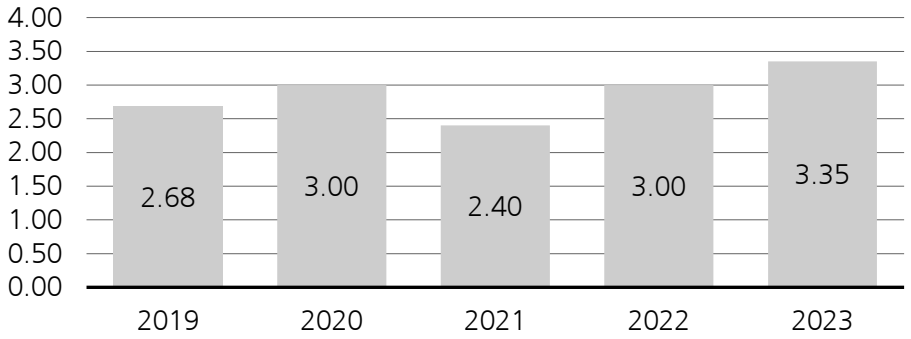
> Rental income up 4.8% to CHF 11.3 million

	31.12.2023	31.12.2022	31.12.2021
Performance	2.5 %	-14.0 %	2.1 %
Total return on NAV	-1.2 %	1.2 %	2.8 %
Dividend Yield	3.5 %	3.1 %	2.1 %
Premium	-12.6 %	-15.3 %	-0.1 %
Rental default rate	12.8 %	15.6 %[1]	16.5 %[2]
Leverage ratio	27.2 %	26.4 %	26.8 %

Net asset value



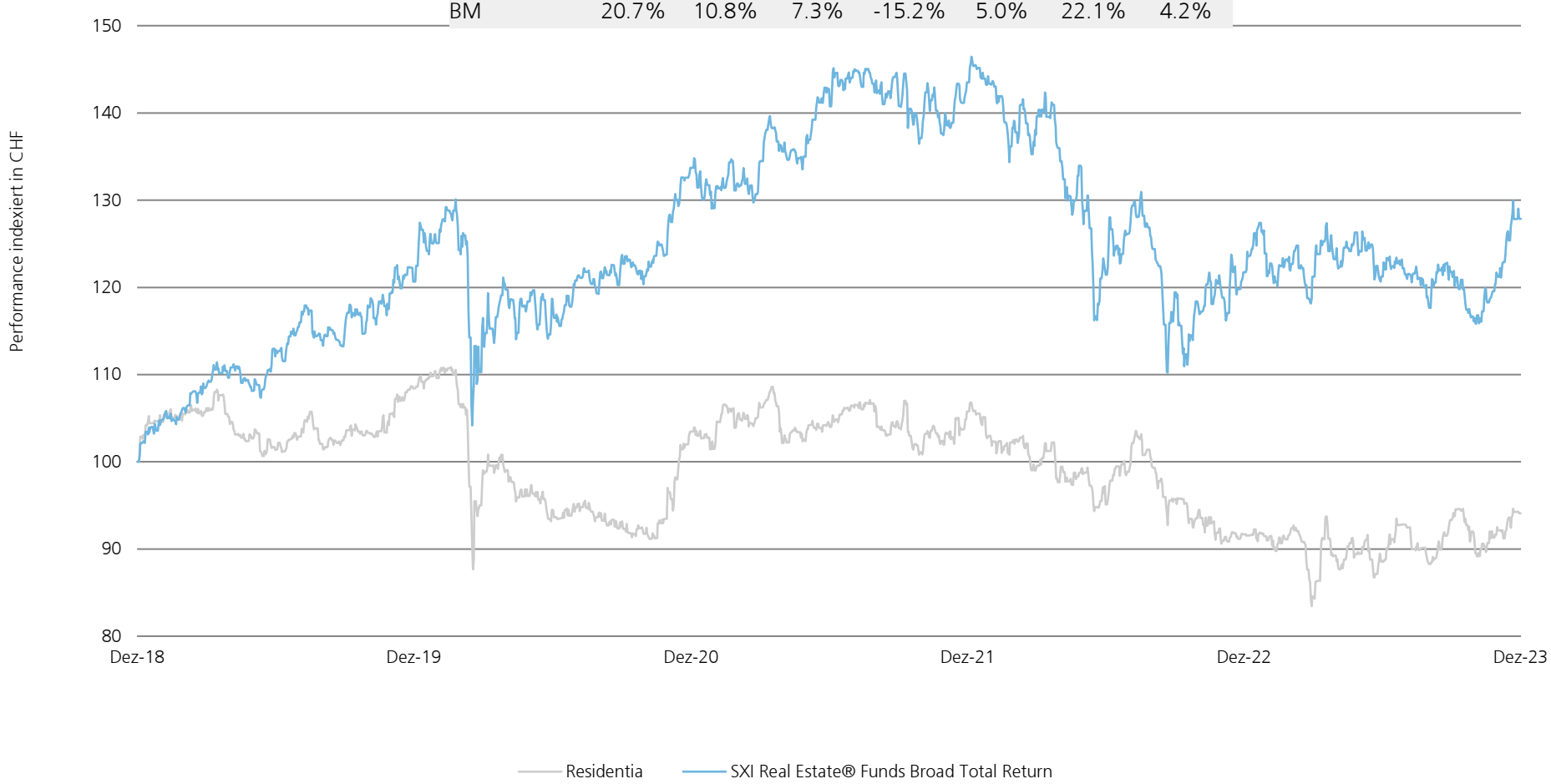
Distribution per unit



Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023.
1 As of the annual financial statements as of 31.12.2022, no rent waivers (COVID-19) were granted; therefore, there is no effect on the reported rental default rate of 15.6%.
2 incl. rent waivers granted (COVID-19); without this effect, the reported rent default rate would have been 16.0% (instead of 16.5%) at the end of the year.
Past performance is no guarantee of future performance. Performance does not take into account any commissions and costs incurred during subscription and redemption of shares

Residentia - Benchmark Comparison

Performance in % as of 31.12.2023							
	2019	2020	2021	2022	2023 YTD	4.9 years	Ø p.a. 4.9 years
Residentia	7.5%	-5.1%	2.1%	-14.0%	2.5%	-8.2%	-1.7%
BM	20.7%	10.8%	7.3%	-15.2%	5.0%	22.1%	4.2%

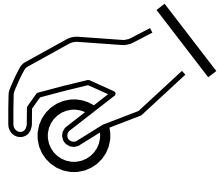


Performance: Source: Datastream, UBS Asset Management; as of the end of December 2023
These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take into account any commissions and costs incurred during subscription and redemption of shares.

Residentia – Geschäftsjahr 2023

+12%

Increase in income distribution from CHF 3.00 to CHF 3.35

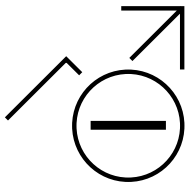


+4.8%

Increase in rental income to CHF 11.3 million

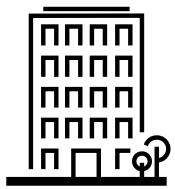
3.5%

Attractive **dividend yield**



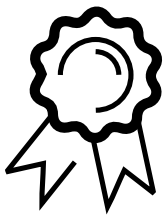
approx-. **18%**

reduced rent default rate from 15.6% to **12.8%**



Approx CHF **243 m**

portfolio value



4 Green Stars

in the GRESB Standing Investments Benchmark

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023
Past performance is no guarantee of future performance.

Residentia – Sustainability highlights

Financial year 2023

GRESB-Rating 2023:
Standing investment: 4 stars

33 % of the market value of the properties have a **certificate**

29 % of properties have a **sustainable heating system** (incl. district heating)

CO2 reduction path developed and implemented across the entire portfolio

"For us, this is the incentive to drive forward the decarbonization of other properties. To this end, the heating systems, which are currently operated with fossil fuels, are gradually being replaced by climate-friendly solutions.

Elvire Massacand
Fund Manager
Residentia

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

Residentia - Highlights aus dem Portfolio

Financial year 2023

Lugano, Via Besso 42

- 3,100 m² commercial area / listed building
- Leasing success: 420 m² furniture shop and 250 m² wine merchant
- Still 600 m² empty in negotiations
- Year of construction 1895 / Full renovation 2019
- Market value CHF 11.6 million
- Gross yield 5.3%

Biasca, Via Quinta

- Consolidation and densification
- 400 m from the centre of Biasca
- Purchase of land 367m2 -> Higher utilization
- Approved new construction project
- 6 floors / 15 apartments, 12 PP
- Minergie envisaged
- Capital expenditure CHF 5 million
- Gross yield 5.0%

Mendrisio, Via Brenni 4

- 49 student rooms and three 2.5-room apartments
- The building has a heating system with two air-to-water heat pumps, a PV system that ensures the supply of more than a quarter of the hot water demand
- As of the end of 2023, more than 85% was leased

Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 31 December 2023

Section 5

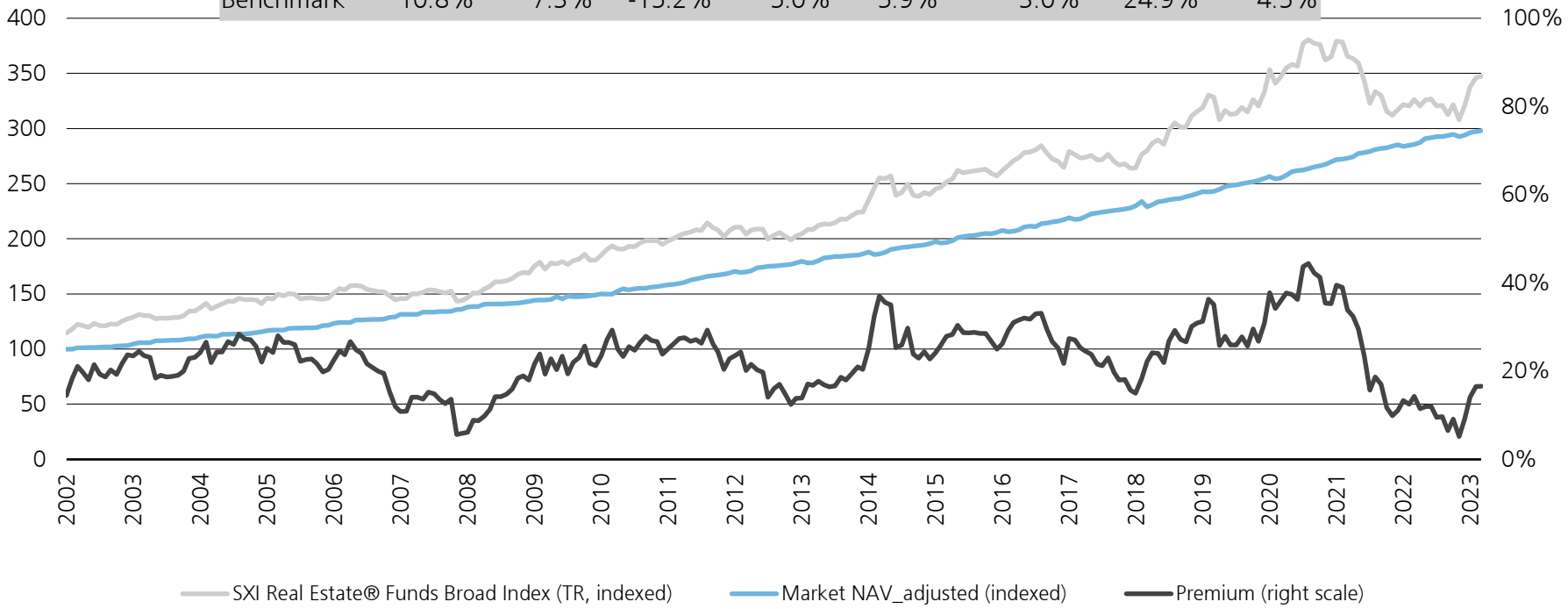
Real Estate Switzerland

Performance of listed Swiss real estate funds

Premium development from 1 January 2003 to 31 March 2024

Total Return Index

in %	2020	2021	2022	2023	2024 YTD	March	5 years	Ø p.a. 5 years
Benchmark	10.8%	7.3%	-15.2%	5.0%	5.9%	3.0%	24.9%	4.5%



Source: Real Estate Funds Index; Bloomberg; listed Swiss real estate funds financial results; UBS Asset Management, Real Estate & Private Markets (REPM); March 2024

Past performance is not a guarantee for future results.

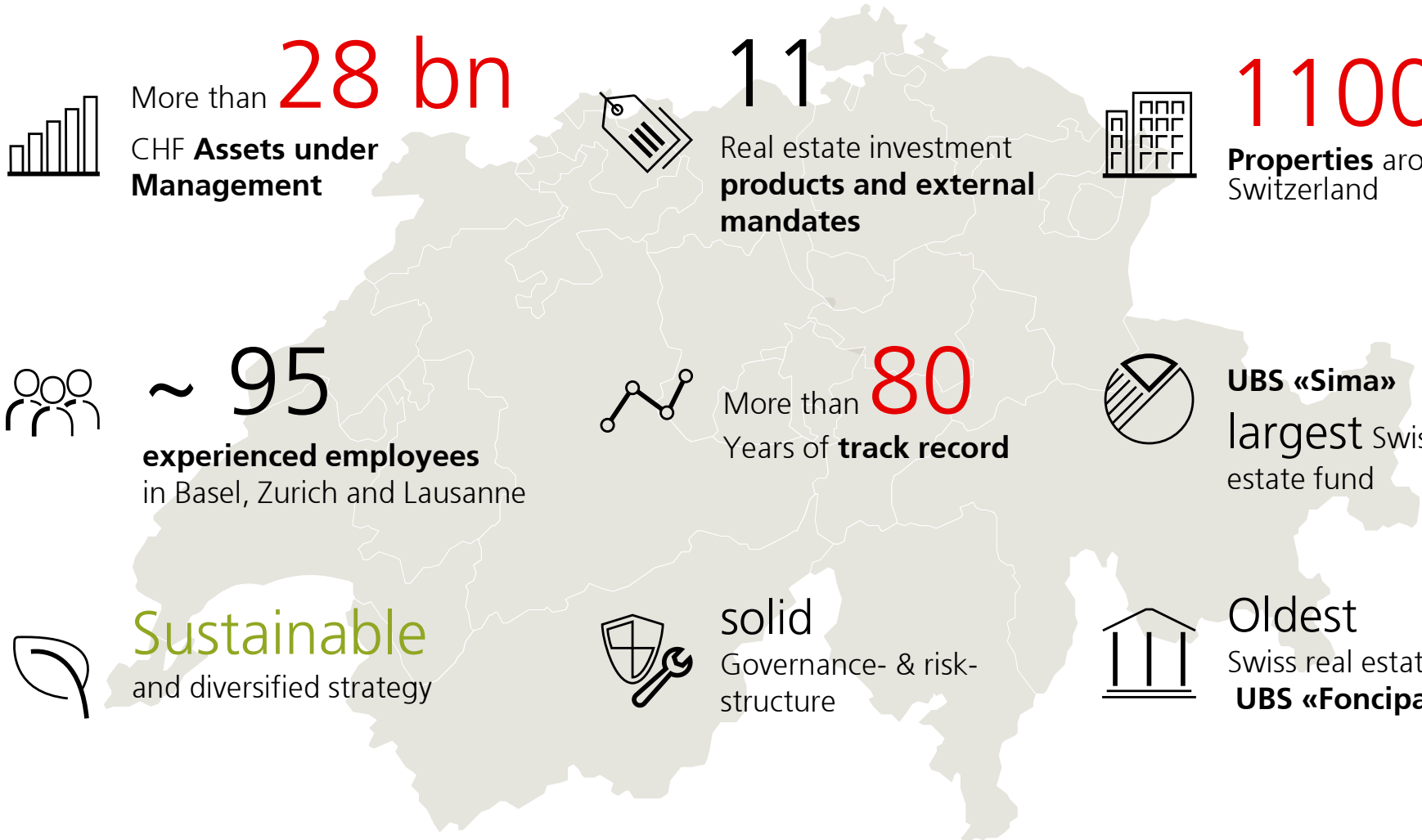
Update - SXI Real Estate® Funds Broad

Data as at 31 March 2024

	Name	Founded	Mkt cap. (mn.)	Weight	Sector	Region	Price	NAV	Premium	Div. Yield	Perf. YTD	Perf. 2023	Perf. 2022	Perf. 3YR
	UBS Sima	1950	10'279	16.9%	Mixed	German-speaking CH	143.50	104.93	36.8%	2.3%	6.7%	8.7%	-12.8%	10.6%
	CS Siat	1956	3'724	6.1%	Mixed	German-speaking CH	227.00	160.65	41.3%	2.3%	6.1%	6.1%	-15.4%	3.8%
*	CS LivingPlus	2007	3'086	5.1%	Residential	German-speaking CH	148.00	109.46	35.2%	2.4%	5.3%	6.9%	-22.8%	-10.1%
	UBS Anfos	1956	3'118	5.1%	Residential	German-speaking CH	87.80	63.95	37.3%	2.1%	7.6%	10.6%	-16.8%	7.3%
*	CS Green	2009	2'474	4.1%	Mixed	German-speaking CH	126.00	116.91	7.8%	2.5%	7.2%	-1.0%	-27.7%	-22.0%
*	Edmond de Rothschild RE SICAV	2010	2'390	3.9%	Mixed	Geneva / Vaud	149.00	122.68	21.5%	2.6%	9.2%	3.3%	-15.7%	7.7%
*	SL REF ESG Swiss Properties	2015	1'985	3.3%	Mixed	German-speaking CH	122.50	112.41	9.0%	2.1%	1.7%	3.6%	-8.7%	1.9%
	Immofonds	1969	1'995	3.3%	Residential	German-speaking CH	568.00	404.85	40.3%	2.4%	9.2%	2.4%	-13.3%	9.8%
	La Fonciere	1954	1'858	3.1%	Residential	Geneva / Vaud	136.50	102.02	33.8%	1.8%	5.4%	5.3%	-15.0%	1.5%
	UBS Foncipars	1943	1'952	3.2%	Residential	Geneva / Vaud	137.00	100.17	36.8%	1.9%	9.6%	5.5%	-13.6%	14.8%
*	Realstone RSF	2008	1'731	2.8%	Mixed	Mixed	129.00	126.73	1.8%	4.1%	4.0%	-0.6%	-9.5%	-2.6%
	Swisscanto REF Resp. IFCA	1968	1'796	2.9%	Residential	Mixed	170.50	127.94	33.3%	2.2%	9.2%	8.9%	-13.4%	9.3%
	Fonds Immobilier Romand	1997	1'685	2.8%	Residential	Geneva / Vaud	221.00	164.40	34.4%	2.0%	4.2%	9.0%	-14.7%	4.3%
	Schroder ImmoPLUS	1997	1'703	2.8%	Commercial	Mixed	159.50	142.29	12.1%	3.1%	6.3%	13.5%	-13.0%	5.5%
	UBS Swissreal	1962	1'626	2.7%	Commercial	German-speaking CH	66.00	63.87	3.3%	4.0%	5.2%	7.2%	-16.3%	-3.8%
*	Solvalor 61	1997	1'484	2.4%	Residential	Geneva / Vaud	293.00	231.30	26.7%	1.8%	2.1%	8.4%	-16.1%	1.3%
	CS Interswiss	1954	1'588	2.6%	Commercial	Mixed	179.00	185.46	-3.5%	4.1%	7.7%	5.4%	-13.0%	-4.7%
*	Procimmo Real Estate SICAV	2007	1'427	2.3%	Commercial	Geneva / Vaud	146.00	145.18	0.6%	3.8%	0.7%	9.5%	-14.5%	1.1%
*	ZIF Immobilien Direkt Schweiz	2018	1'100	1.8%	Residential	Mixed	114.50	105.05	9.0%	2.4%	2.2%	-4.5%	-9.1%	-3.4%
	Immo Helvetic	1997	1'210	2.0%	Residential	German-speaking CH	216.00	186.87	15.6%	3.1%	6.4%	5.1%	-15.1%	5.9%
*	Bonhote-Immobilier SICAV	2006	1'101	1.8%	Residential	Geneva / Vaud	149.00	124.85	19.3%	2.2%	8.0%	4.9%	-14.8%	0.9%
*	SF Sustainable Property	2010	1'031	1.7%	Residential	Mixed	122.50	117.38	4.4%	2.6%	1.8%	0.9%	-14.3%	-11.8%
	Swissinvest RE Fund	2006	1'025	1.7%	Residential	German-speaking CH	194.00	160.90	20.6%	2.3%	5.4%	4.0%	-14.8%	4.4%
*	Patrimonium Swiss RE Fund	2007	990	1.6%	Residential	Geneva / Vaud	173.00	151.01	14.6%	2.3%	4.5%	3.6%	-17.6%	-2.6%
*	Baloise Swiss Property Fund	2018	858	1.4%	Residential	German-speaking CH	119.00	105.07	13.3%	2.5%	0.0%	-3.2%	-12.5%	-1.9%
*	UBS Direct Residential	2006	925	1.5%	Residential	German-speaking CH	19.90	14.46	37.6%	2.1%	11.6%	9.6%	-12.6%	12.3%
*	CS Real Estate Fund LogisticsPlus	2014	832	1.4%	Commercial	German-speaking CH	104.00	100.72	3.3%	3.4%	7.8%	-13.0%	-22.4%	-20.8%
*	Cronos Immo Fund	2016	760	1.2%	Residential	Geneva / Vaud	112.00	105.26	6.4%	2.6%	-4.3%	4.4%		
	SF Retail Properties	2015	700	1.1%	Commercial	Mixed	108.00	98.06	10.1%	4.0%	5.4%	10.4%	-16.5%	3.4%
*	CS Hospitality	2010	627	1.0%	Commercial	Mixed	74.20	75.50	-1.7%	3.4%	7.7%	16.1%	-17.7%	8.2%
*	Swisscanto REF Resp. Commercial	2010	538	0.9%	Commercial	Mixed	103.50	101.91	1.6%	4.0%	4.3%	5.4%	-11.5%	0.5%
*	UBS Direct Urban	2012	477	0.8%	Mixed	German-speaking CH	13.25	11.62	14.0%	2.5%	3.1%	12.7%	-19.7%	-0.2%
*	Helvetica Swiss Commercial Fund	2016	334	0.5%	Commercial	German-speaking CH	77.00	110.74	-30.5%	6.9%	2.9%	-18.2%	-10.8%	-20.4%
*	Dominicé Swiss Property Fund	2013	421	0.7%	Residential	Geneva / Vaud	127.50	122.74	3.9%	2.4%	4.1%	2.7%	-1.7%	17.3%
*	Sustainable Real Estate Switzerland	2015	314	0.5%	Residential	Mixed	92.40	104.23	-11.4%	2.4%	-0.4%	-8.8%	-12.6%	-14.9%
*	Swiss Central City Real Estate	2018	285	0.5%	Mixed	German-speaking CH	75.00	101.55	-26.1%	2.8%	0.0%	-24.8%	-13.6%	-24.6%
*	Procimmo Residential Lemanic	2009	367	0.6%	Mixed	Geneva / Vaud	140.50	140.17	0.2%	2.3%	8.5%	-6.5%	-12.4%	-6.3%
*	Good Buildings Swiss RE Fund	2011	300	0.5%	Mixed	German-speaking CH	136.50	118.53	15.2%	2.9%	3.4%	1.5%	-6.3%	9.0%
*	Suisse Romande Property Fund	2014	231	0.4%	Mixed	Geneva / Vaud	86.00	111.98	-23.2%	3.5%	-1.1%	-18.5%	0.0%	-19.2%
*	Streetbox Real Estate Fund	2009	207	0.3%	Commercial	Geneva / Vaud	482.00	356.79	35.1%	3.2%	7.8%	10.6%	-18.3%	1.2%
	SF Commercial Properties	2016	188	0.3%	Commercial	German-speaking CH	78.20	84.78	-7.8%	5.4%	5.0%	-2.5%	-4.3%	-5.9%
*	Residentia	2009	166	0.3%	Mixed	Ticino	104.00	116.01	-10.3%	2.9%	7.4%	2.5%	-14.0%	-5.7%
	** property directly held by the fund*	**TOTAL**	**60'887**	**100.0%**				**Ø**	**20.3%**	**2.6%**	**5.9%**	**5.0%**	**-15.2%**	**0.9%**

Note: Market capitalizations & weights are based on SIX data, prices are based on Bloomberg data. NAV correspond to the financial statements that are adjusted internally for dividends. "Mixed" means that the portfolio consists of different sectors. The regional and sector classification as well as the calculation of premiums and dividends were determined by UBS Asset Management on the basis of the annual financial statements. Performance is the total return based on Bloomberg data. Past performance is no guarantee of future performance.

Convincing facts about Real Estate Switzerland



More than **28 bn**
CHF **Assets under Management**

11
Real estate investment **products and external mandates**

1100+
Properties around Switzerland

~ 95
experienced employees
in Basel, Zurich and Lausanne

More than **80**
Years of **track record**

UBS «Sima»
largest Swiss real estate fund

Sustainable
and diversified strategy

solid
Governance- & risk-structure

Oldest
Swiss real estate fund
UBS «Foncipars»

Our real estate investment products at a glance

	Investment focus	2019	2020	2021	2022	2023[1]
Listed Funds						
UBS Direct Residential	Residential / all of CH	705	776	814	933	966
UBS Direct Urban	All types of use / all of CH	447	492	577	590	584
UBS «Anfos»	Residential / German-speaking CH	2 704	2 808	2 925	3 081	3183
UBS «Foncipars»	Residential / French-speaking CH	1 492	1 607	1 703	1 829	1953
UBS «Sima»	All types of use / all of CH	9 895	10 307	11 028	11 452	11 701
UBS «Swissreal»	Commercial / all of CH	1 987	2 051	2 074	2 121	2159
Residentia[2]	Residential / Italian-speaking CH			247	250	243
UBS PF Europe[3]	All types of use / Europe				271	276
Investment trusts						
UBS AST-IS	All types of use / all of CH	2 308	2 384	2 491	2 618	2704
UBS AST-KIS	Commercial / all of CH	711	711	728	772	776
External mandates						
Mandate (external)	All types of use / all of CH	2 953	3 141	3 194	3 475	3475
Total Portfolio Real Estate Switzerland		23 202	24 277	25 781	27 392	28 020
Annual percentage change (%)		5,5	4,6	6,2	6,2	2,3

Source: UBS Asset Management, Real Estate & Private Markets (REPM); 2018-2023: Market values in mill. CHF;
1 External mandate as at 31.12.2022; UBS «Anfos» as at 30.09.2023; UBS Direct Residential, UBS Direct Urban, UBS PF Europe, UBS «Foncipars», UBS «Sima», UBS «Swissreal» and Residentia as at 31.12.2023; UBS AST-IS and UBS AST-KIS as at 29.02.2024
2 Residentia: Real Estate Switzerland has taken over the fund management of Residentia as of 1 February 2021; **3** Exchange rate: EUR 1 = 0.926 CHF (per 31.12.2023)

Section 6

Swiss real estate market

Summary: Swiss real estate market 1H24

Economy

- Economic challenges in the 1st half of 2024, recovery expected from the 2nd half of 2024
  - Low global demand and strong Swiss franc weaken industry
  - Robust labor market and service sector support the economy
- Significant easing of inflation should allow interest rate cuts.
- Residual risks for inflation and in view of geopolitical uncertainty remain

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Swiss real estate market

- Following the correction in prime yields on the transaction market and a calming down of bond yields, the risk premium is approaching its long-term average again
- Housing market characterized by scarcity and strong rent growth
- Commercial user markets are impacted by the economic slowdown, but are in healthy shape, especially by international standards. Consolidations exacerbate polarization.

Strategic Recommendations

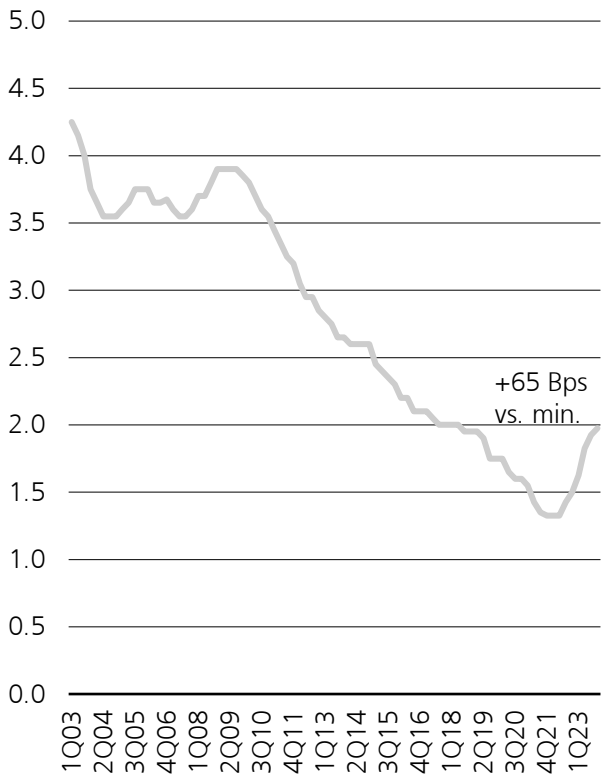
- Higher interest rate environment puts focus on income returns
- Residential stands out with positive rental growth prospects, but regulatory risk is also increasing.
- In the case of commercial properties, the quality of the location and the property is becoming even more important.
- Supertrends "Demography", "Digitization", "Decarbonization" and "Deglobalization" are leading to shifts in user markets and open investment opportunities

Source: UBS Asset Management, REPM; February 2024

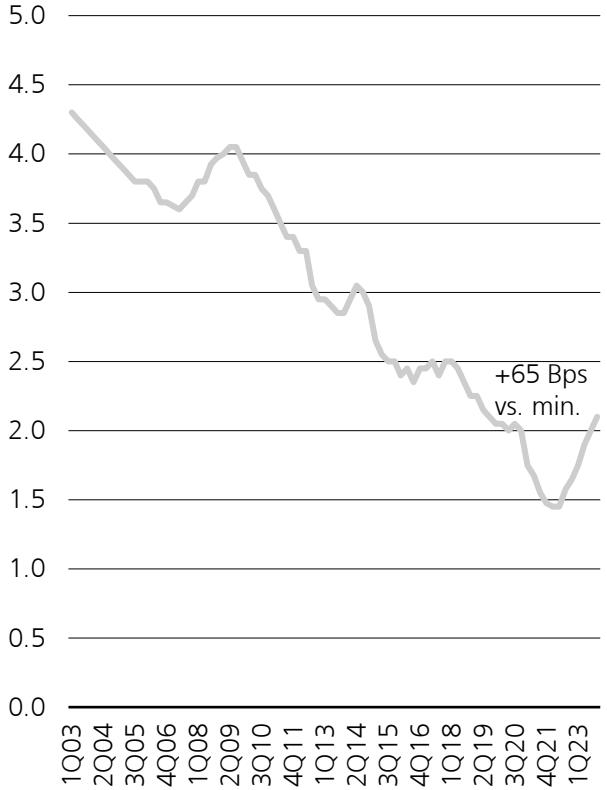
Residential and office now with comparable corrections

Previous corrections are credited to the retail market

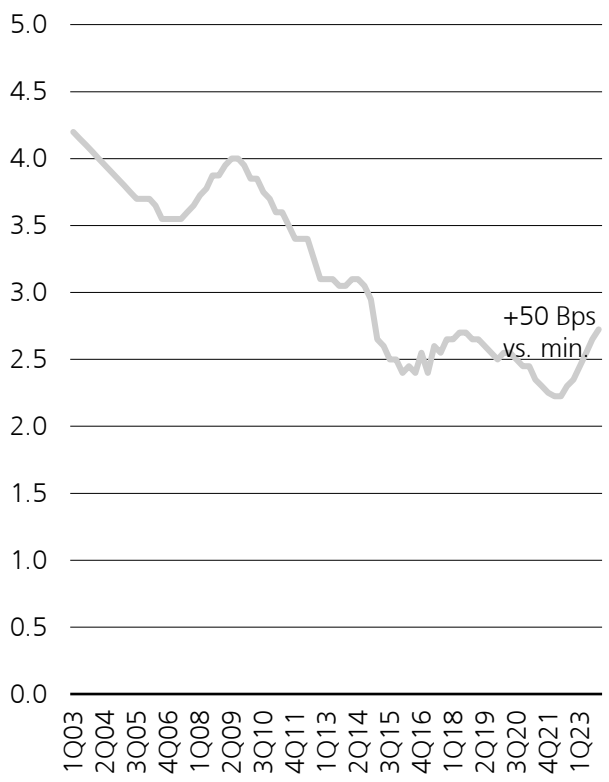
Multi-family



Offices



Retail

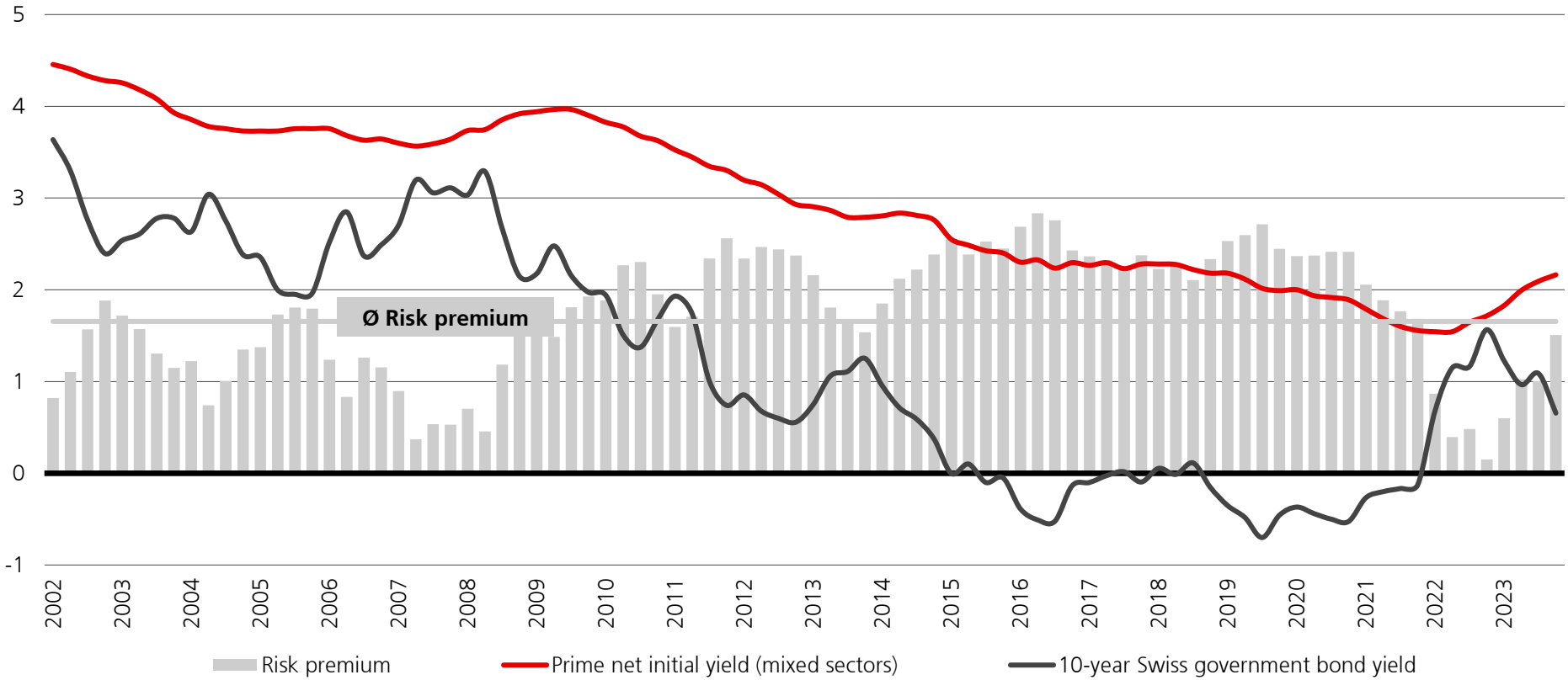


Source: Wüest Partner; UBS Asset Management (REPM); February 2024
Last data point: 4Q23

Risk premium rebounds significantly

Real estate premium only slightly below the long-term average in 4Q23

10-year government bonds yield, net initial yield on prime real estate and resulting risk premium (in %)

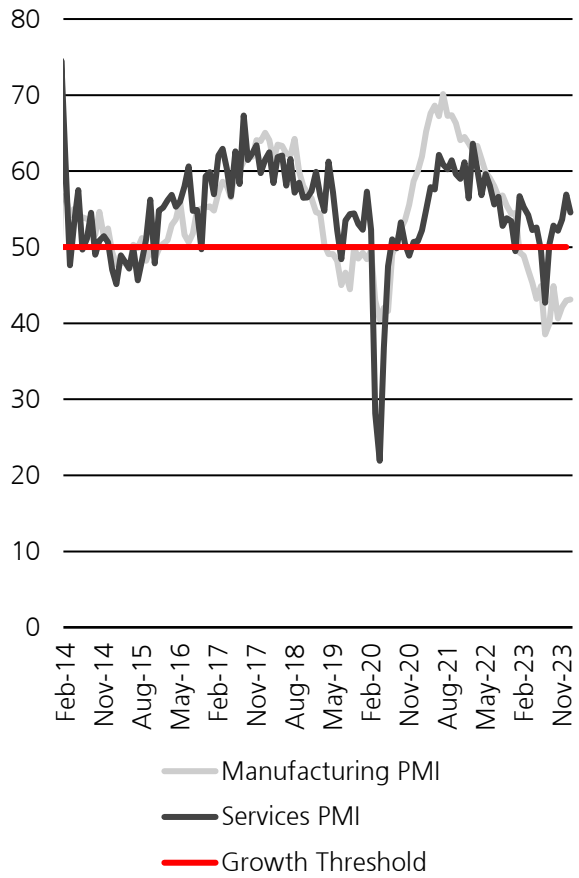


Source: Wüest Partner; SNB; UBS Asset Management (REPM); February 2024
Last data point: 4Q23

Industry sentiment has deteriorated

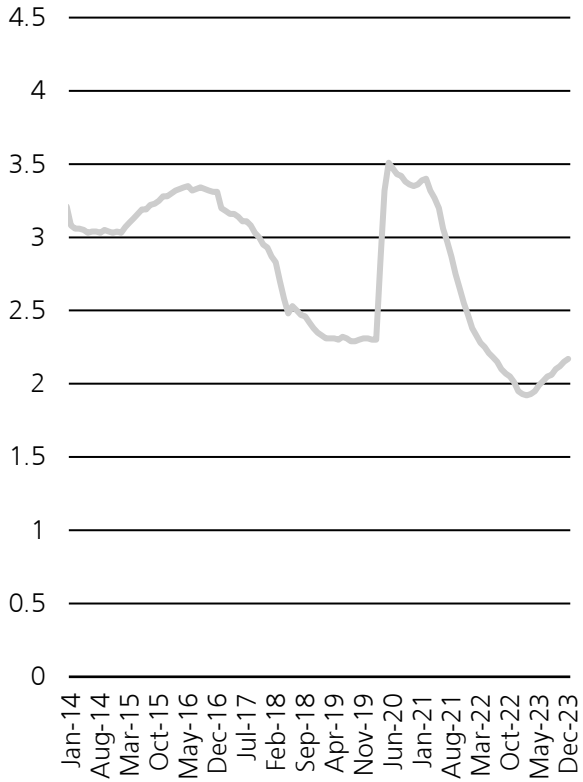
Stable labor market backs private consumption

Purchasing Manager Index



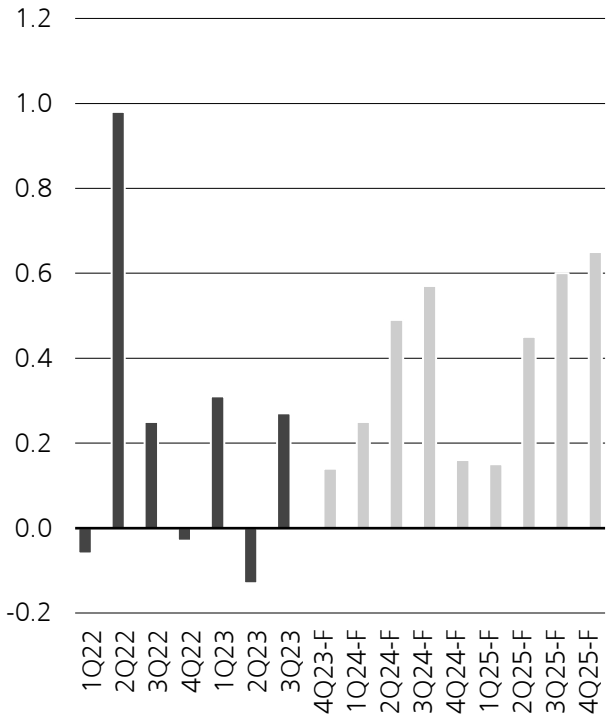
Quelle: procure.ch; Refinitiv; Letzter Datenpunkt: Januar 2024

Unemployment rate
(%)



Quelle: Refinitiv; Bundesamt für Statistik; Letzter Datenpunkt: Januar 2024

Economic growth Switzerland
(GDP, %, q-o-q, real, calendar-, seasonally and sport events-adjusted)

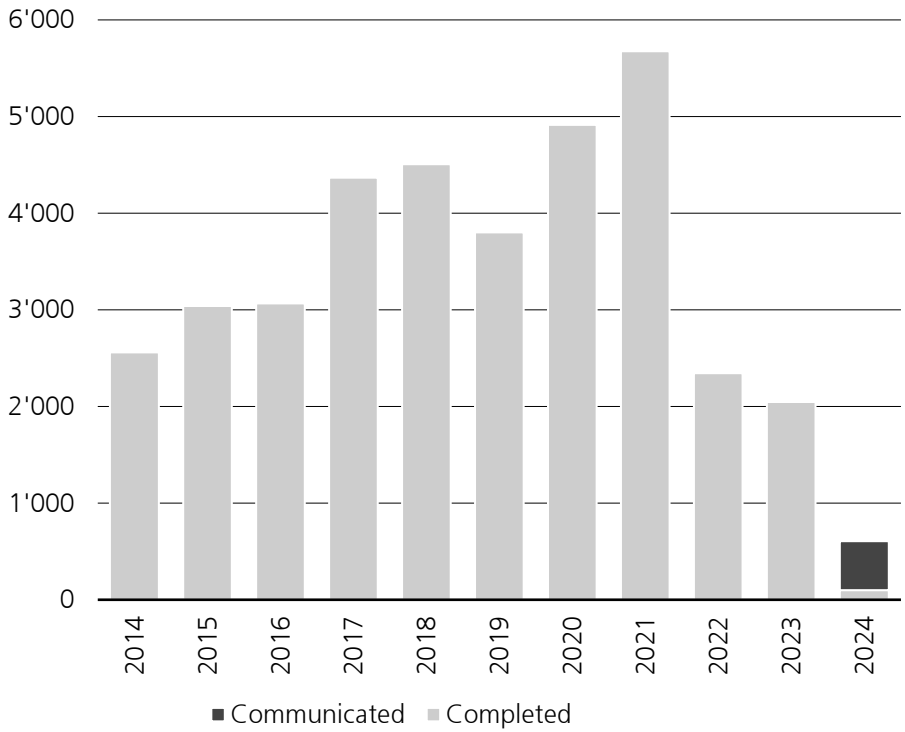


Quelle: SECO, Oxford Economics; Letzter Datenpunkt: 3Q23

Transaction dynamics remain subdued

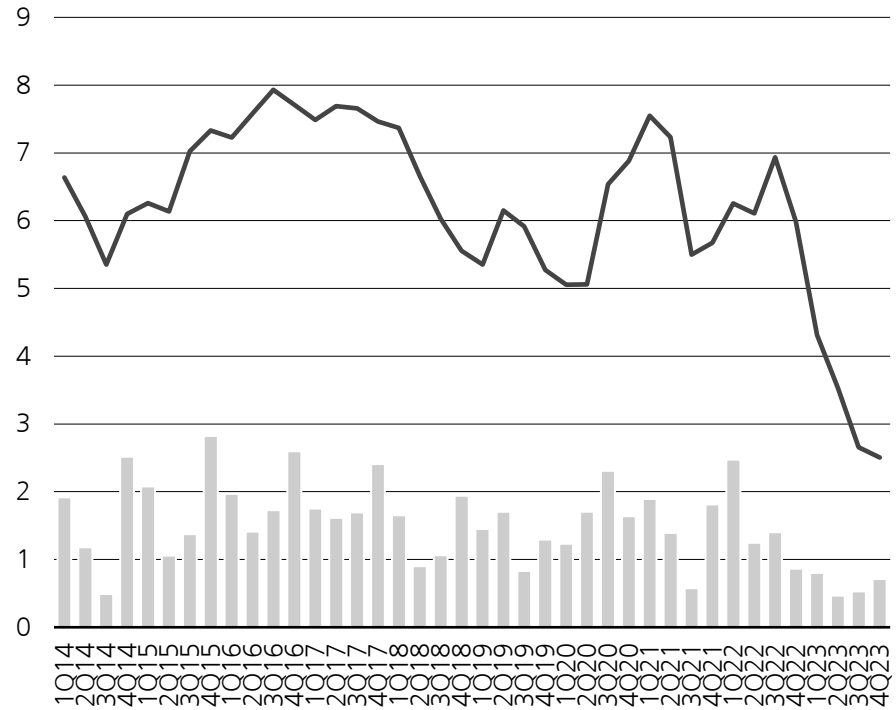
Change in conditions continues to have a dampening effect on the capital and transaction market

Capital market transactions (debt and equity) on the Swiss real estate investment market (in CHF million)



Source: Safra Sarasin; UBS Asset Management (REPM); February 2024
Last data point: February 12, 2024

Real estate transaction volume
(Quarterly and 12-month total, in CHF billion)*

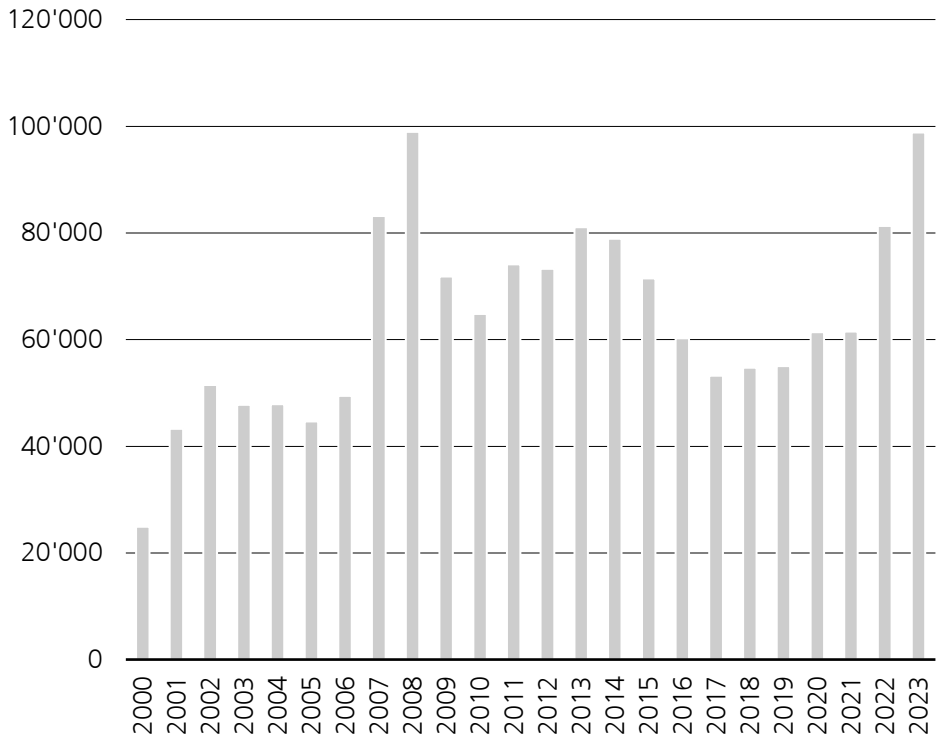


Source: MSCI RCA; UBS Asset Management (REPM); February 2024;
Last data point: 4Q23
Note: * Registered by RCA (partial sample)

Rental Housing Market: Increasing demand...

... meets sharp decline of supply expansion...

Net migration in Switzerland (permanent population)



Source: State Secretariat for Migration SEM; Last data point: December 2023

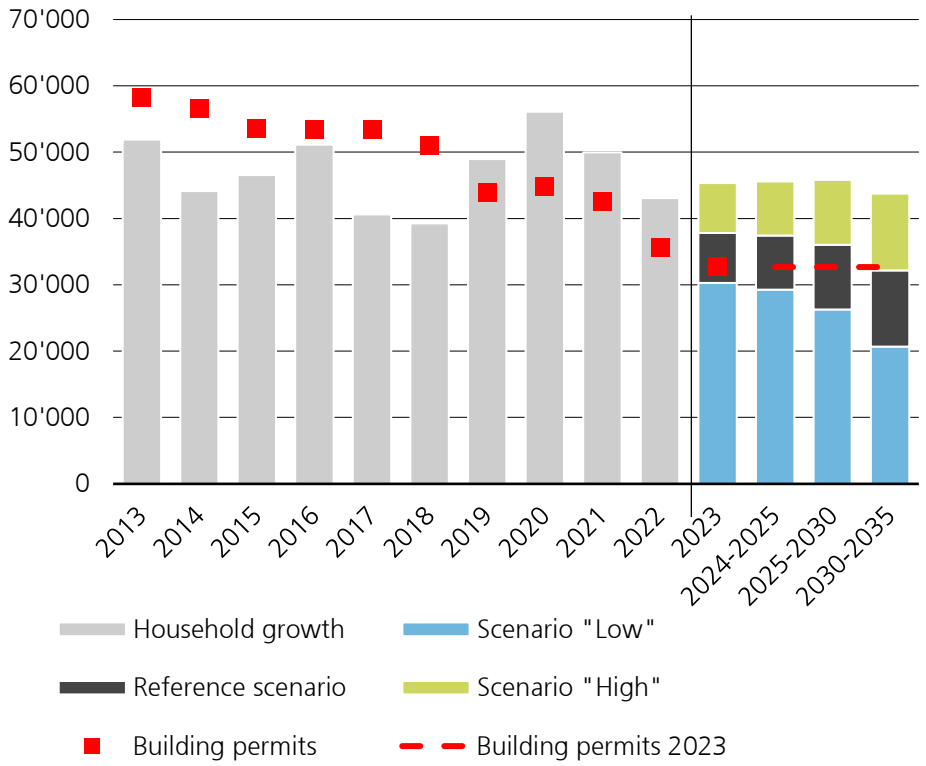
Planning activity in the Swiss housing market
(12-month sum, number of dwelling units)

Source: Bauinfo; Last data point: 4Q23

... leads to scarcity...

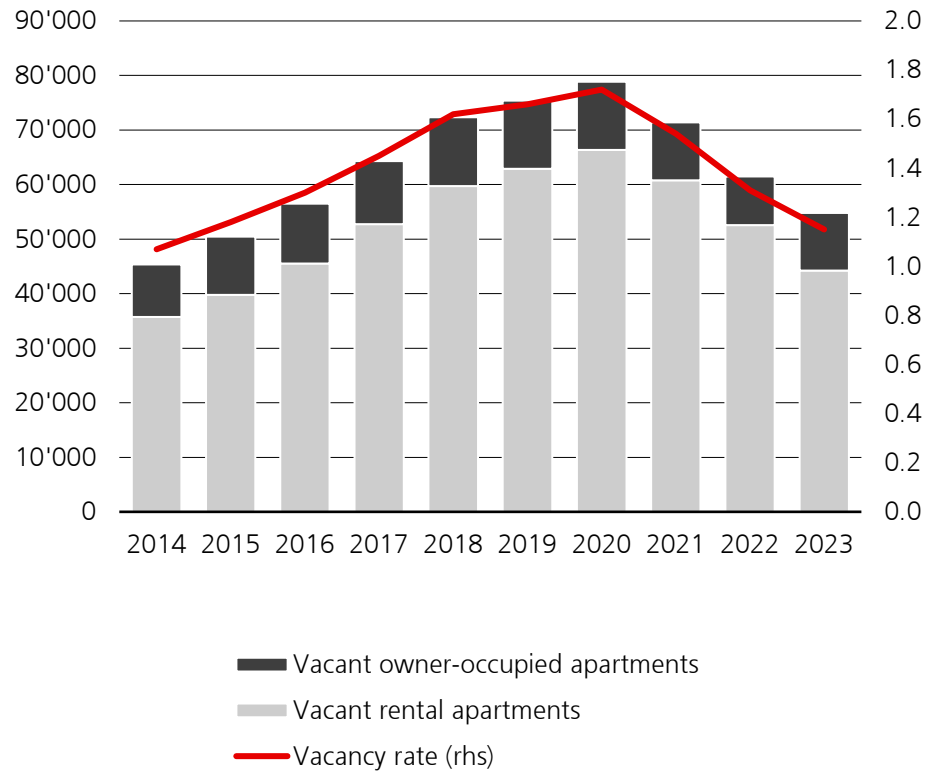
Number of additional households significantly exceeds construction

Household growth and construction activity
(Total number of households and number of new residential units)



Source: Federal Statistical Office; UBS Asset Management (REPM); February 2024;
Last data point: 2022

Vacancies
(Total (lhs); as % of stock (rhs))

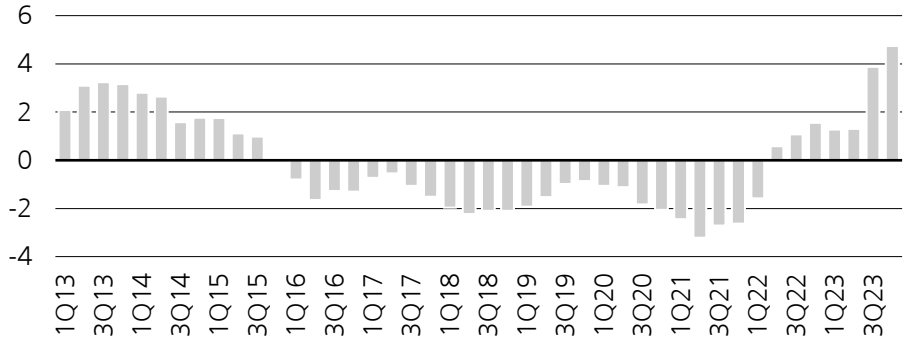


Source: Federal Statistical Office; Last data point: June 2023

... and rising rents

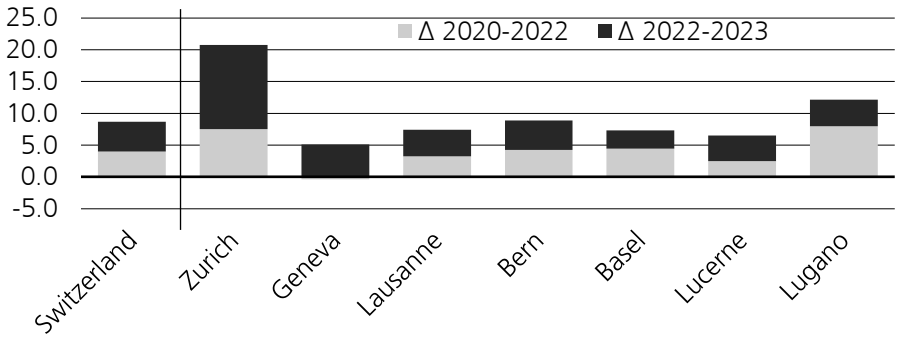
Reference rate increases enable additional rise in existing rents

Annual growth rates advertised rents
(%, y-o-y)



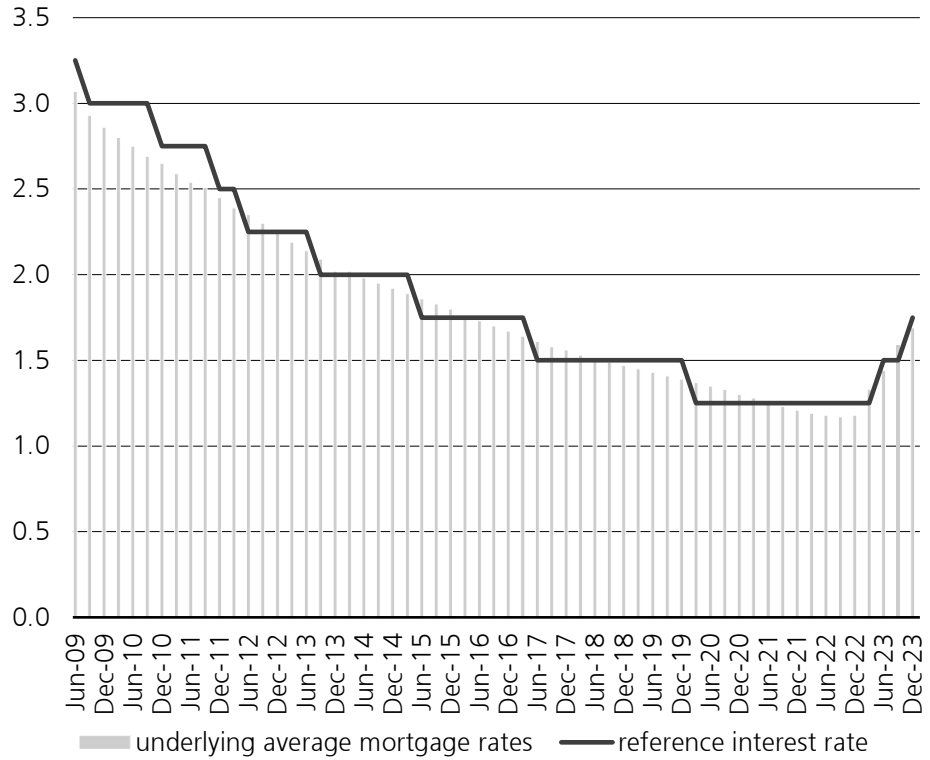
Source: Wüest Partner; Last data point: 4Q23

Change in asking rents in major Swiss cities
(%, Dec. 2020 vs. Dec. 2023)



Source: homegate, Last data point: December 2023

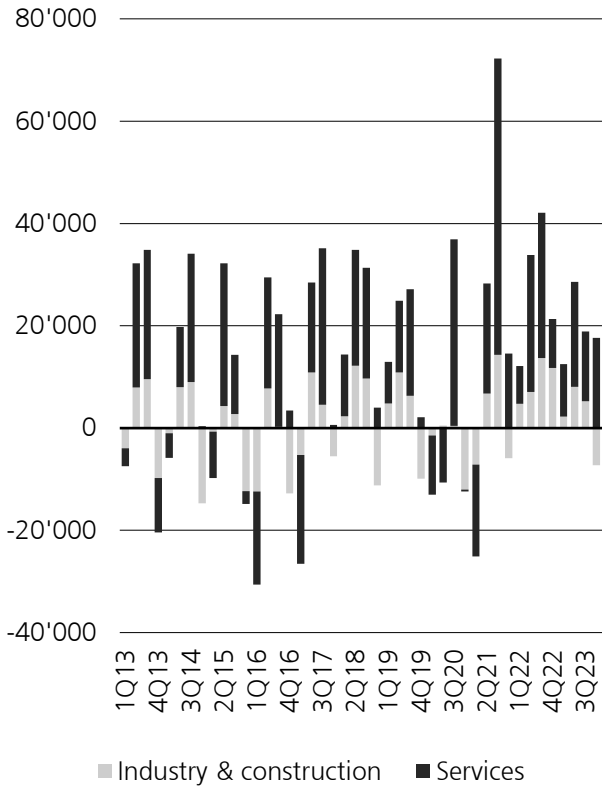
Development reference interest rate and underlying average mortgage rates (%)



Source: Federal Office of Housing; Last data point: December 2023

Offices:
Swiss Market in (comparatively) comfortable situation

Employment growth
(FTEs)

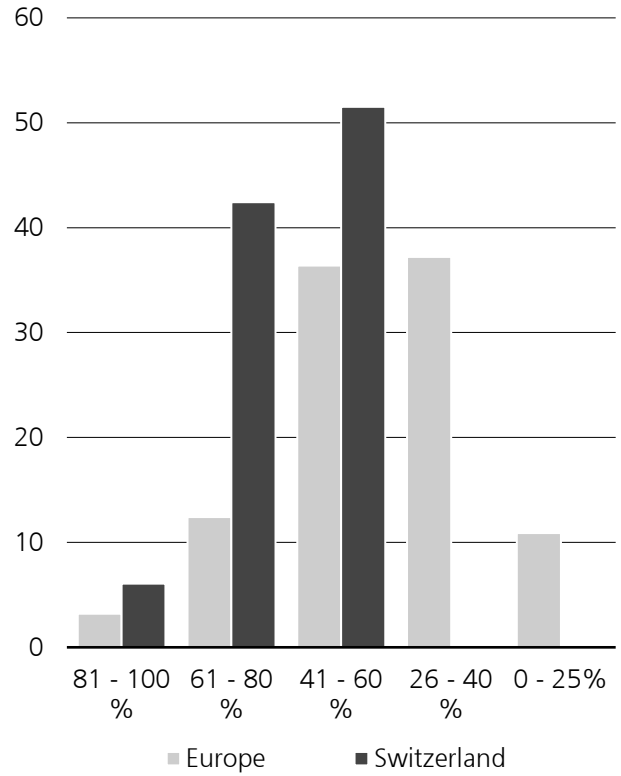


Source: State Secretariat for Economic Affairs; Last data point: 4Q23

Office space supply
(in % of stock)

Source: JLL; Last data point: 4Q23

Share of employees by number of working days in the office (%)

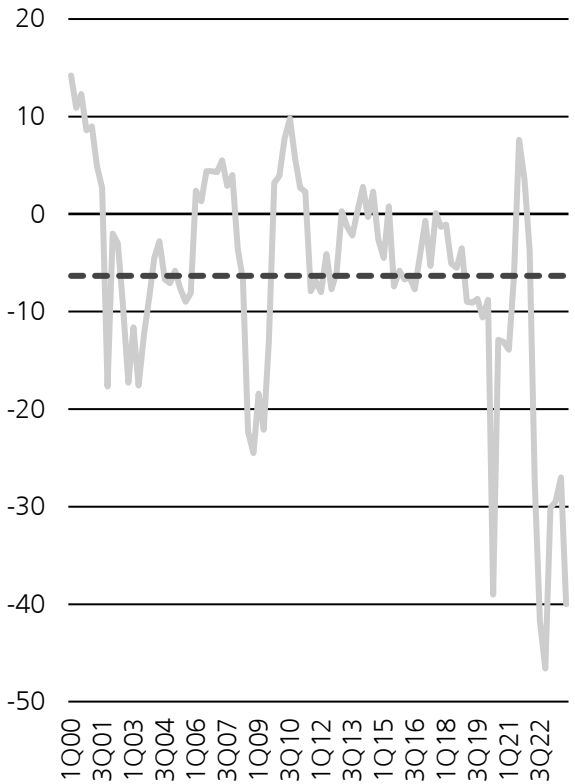


Source: CBRE; Last data point: 2023

Retail space: Rents defy the subdued mood

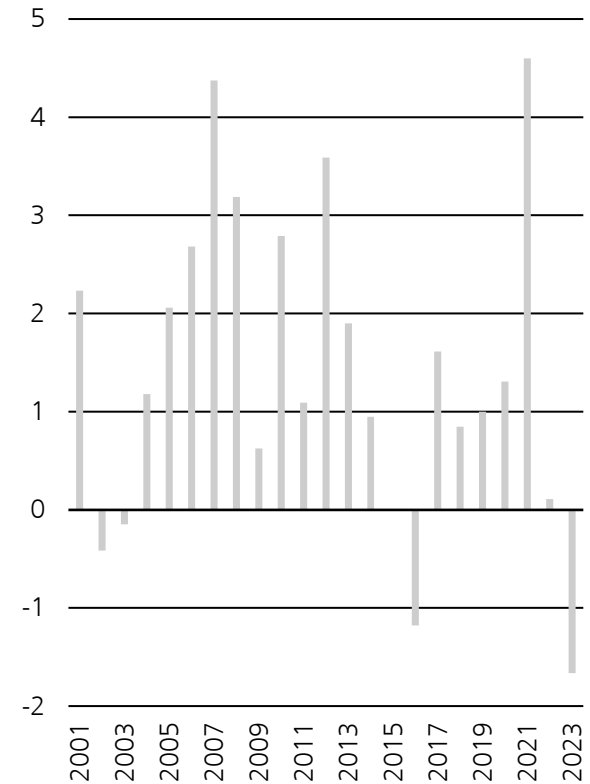
Consumer sentiment suffers from real wage losses

Consumer sentiment



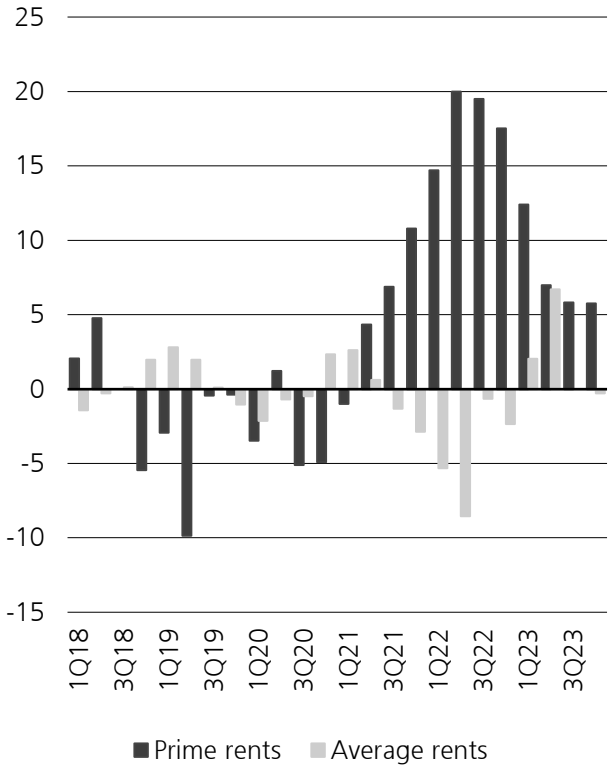
Source: Refinitiv; SECO; Last data point: 4Q23

Change in retail sales
(%, y-o-y)



Source: Refinitiv; Federal Statistical Office
Last data point: December 2023

Annual growth rates average and prime advertised rents
(%, y-o-y)



Source: Wüest Partner; UBS Asset Management (REPM); February 2024; Last data point: 4Q23

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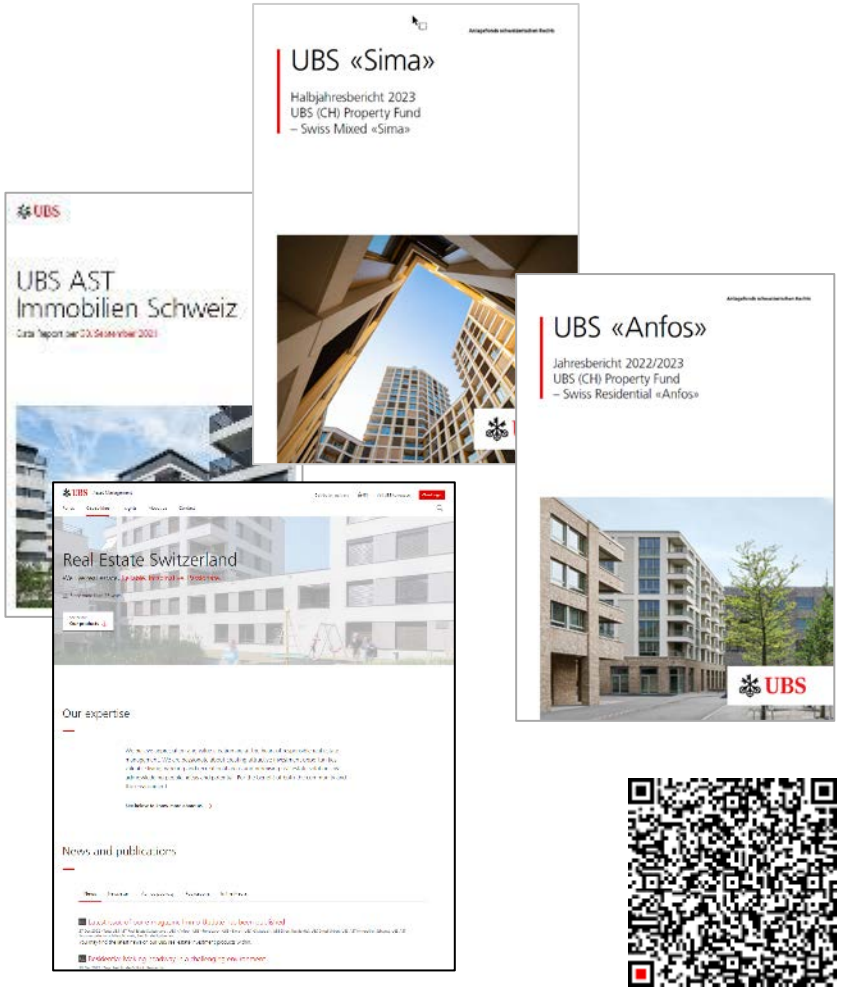

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